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NATION BUSINESS

December
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Congress and Business

A FORECAST, by WILLARD M. KIPLINGER

Billions in Instalment Buying

By J. H. TREGOE,

Executive Manager, National Association of Credit Men

A Kind Word for Congress

By A CONGRESSMAN

Business as Business Men See It

TWENTY LEADERS IN INDUSTRY DISCUSS THE OUTLOOK

And Other Timely Articles Including

Union Labor Far from Radical, by Chester M. Wright

Anything Wrong with New England? by Henry Schott

The Moving Drama of the Fur Trade, by Raymond C. Willoughby

How Business Is Policing Itself, by P. G. Agnew

Industrial Research Helps Us All, by Warren Bishop

When New York Grows Up, by F. S. Tisdale

Map of the Nation's Business on page 62

Complete Table of Contents on page 5

Published at Washington by the Chamber of Commerce of the United States

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"STOP my subscription," writes Mr. E. G. Sullivan, of Marengo, Iowa. "There are some commendable articles in your magazine," he adds, "but there are many others, such as your friend Barnes writes, that do not go down well with the western farmer."

We wrote Mr. Sullivan that he was doubtless right, that we have evidence that certain articles in NATION'S BUSINESS do not "go down well" with eastern bankers, and some which do not "go down well" with New England manufacturers. We get sharp letters from all sorts of people.

But isn't it true that many of us, including the western farmer, suffer from taking only the things which "go down well" and shy at the disagreeable physic which might be good for us?

We are sorry Mr. Sullivan is leaving us, but we fear we must go on printing a certain amount of matter which doesn't "go down well."

OUR MAIL continues to be a source of joy, help, and inspiration.

There are many indications of the sound progress of a magazine. Skillful administration (the coordination of editorial, advertising, circulation, and manufacture) is one which makes for profitable operation; advertising gain, which shows growing confidence in a magazine's influence; circulation, new and old, the former reflecting growing acceptance, the latter reflecting growing "reader regard"; finally, editorial influence, affecting first and last all the others, yet showing distinct manifestations all its own.

As to NATION'S BUSINESS, one phase, however, is most significant. It is not administration, although the monthly financial reports show a fine "control" in that department. It is not advertising, although our percentage of increase in lineage was second last month only to the *Saturday Evening Post*, and over the year is greater than the average of all magazines. Nor circulation, although there has been a steady 25 per cent yearly increase for nearly four years, and the renewals—an excellent test—are highly satisfactory, thank you!

The phase that interests me most is the response of readers. The bugbear of all editors is "Is it read?" No editor likes to soliloquize. A fine, double-fisted editorial, pointed to reform the universe—how much is it worth if nobody reads it?

There is increasing evidence that men are reading NATION'S BUSINESS. For example:

Two hundred editors of other magazines and newspapers wrote editorials, last month, quoting matter appearing in NATION'S BUSINESS.

Mr. Clause, chairman of the Board, Pittsburgh Plate Glass Company, tells us that his article in the September number on the foreign loan problem brought in a great amount of interesting correspondence. One letter which pleased him was from Senator Borah, chairman of the Senate Committee on Foreign Relations, who said:

I have just finished reading your article in the September number of NATION'S BUSINESS on "Shall We Be the World's Bankers?" I will say

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Vol. 13

No. 13

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As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber; but in all other respects the Chamber can not be responsible for the contents thereof or for the opinions of writers to which expression is given.



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to you it is one of the most illuminating and to my mind one of the sanest discussions of this subject which has come under my observation. I should like to see more from your pen upon this subject from time to time.

Mr. Jacob Pfeiffer, president of the Miller Rubber Company, came into the office the other day with a jacket full of letters to him commenting on his article "Our Company Pays 23 Kinds of Taxes" which appeared in the June number of NATION'S BUSINESS.

Fifty men wrote us on Mr. Schott's Wisconsin article, among whom we recall Mr. C. W. Nash, of Nash Motors; Mr. Walter I. Kohler, of Kohler of Kohler; Mr. George S. Parker, of Parker Pen; Mr. E. G. Vail, of Gurney Refrigerator Company, and Mr. Robert H. Rolfs, of Amity Leather Products.

A score came in on the Willoughby article "Let's Cost Account Our Fires," and at least two score on the Babbitt articles. In fact, we are already quoted as sire of a new cult, "Dare to be a Babbitt."

And we have responses from readers on the most fugitive of items tucked away in the back of the book. For instance, this morning's mail brought comments on such widely different subjects as the value of a small checking account, the token payment plan of a street-car company, our crime industry, our penchant for making laws. And as I dictate this, my assistant passes me a letter from Mr. Stephen A. Day, of Chicago, which reads:

I was so pleased with your article on the dole system in England that I am writing you for permission to reproduce it in *Justice*, a magazine in which I am interested.

FROM Louisville, Ky., comes this suggestion to shoe manufacturers. Mr. James C. Moffett writes:

What interested me mostly in your story, "Advertising Works—But Not Magic," was how a hat manufacturer reduced the styles of hats in his factory and at the same time increased the sales.

I am writing to ask you if any similar sort of genius can be found in the shoe business. If so, I wish you would turn the limelight on him.

It is our guess that a great many shoe manufacturers have followed the very same plan. The only hitch is that they may not have brought the fact to the attention of the retailer. That point is almost as important as the reduction in numbers itself.

OUT IN Dixon, Calif., John M. Lytle is secretary of the Community Council. He took the time to write regarding an editorial that he was interested in, and was generous enough to say this about NATION'S BUSINESS:

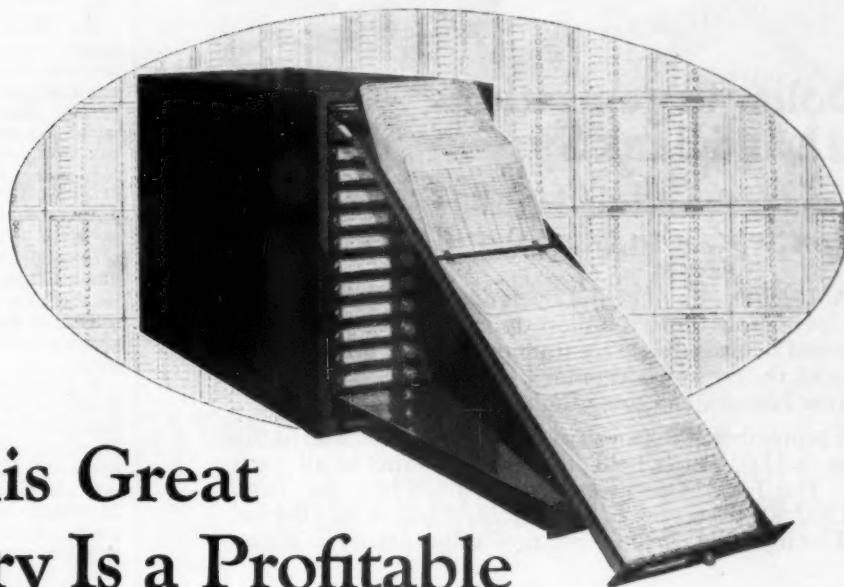
It is the only magazine coming to my office that I read from cover to cover. Among the veritable legions of publications it stands out like a Statue of Liberty in New York harbor. It surely holds the interest and saves any amount of headline scanning. A bright spot, the day I subscribed.

Thank you, Mr. Lytle, of Dixon, Calif. You have well defined the task that is before us—to make the magazine so interesting that all of our 207,000 readers will read all of it.

A big task and a pleasant one.

THE GOLDFISH industry in the United States has never had from us the study which it undoubtedly deserves, and so, when O. M. Kile submitted an article for the August number in which he said that most of the young goldfish sold in the United States are grown near Frederick, Md., and that "G. Lester Thomas is the king of goldfish,"

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A unit because of the mutual underwriting
Total assets on Sept. 30th, \$1,059,486,378.11

IN LESS THAN eight years of actual operation, the twelve Federal Land Banks have grown into a billion dollar organization! Since the Bonds issued by each Bank are underwritten by all the other Federal Land Banks, the entire system may be regarded as a single unit—the largest Farm Mortgage organization in the world.

The statement of September 30th (forwarded on request) shows 370,876 mortgages averaging \$3,073 each, held on improved farms in all parts of the country. The Total Assets were \$1,059,486,378.11; the Total Capital, \$52,783,832.50; Reserve, \$7,650,528.23; Undivided Profits, \$5,262,239.00. The monthly earnings are now substantially in excess of \$700,000.

These figures represent a conservative valuation. Every piece of land acquired through foreclosure has been charged off; no such item is carried as an admitted asset. Likewise, every installment payment over 90 days past due is charged off until collected, and it does not appear as an admitted asset.

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"A Standard Form of Investment"

so stabilized as to find a ready market with as
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These Bonds, issued in denominations of \$10,000, \$5,000, \$1,000, \$500, \$100 and \$40, are safeguarded by

1. The small size and wide distribution of the individual risks with an average security exceeding 200%.
2. The steadily increasing capital, reserve and net earning capacity of the twelve Federal Land Banks.
3. The constant purging of assets through the writing off of foreclosed mortgages and past due installments.
4. Careful management in which the Government participates without assuming financial obligation, further safeguarded by strict Government supervision.

Congress has declared that these Bonds are "instrumentalities of the Government of the United States". As such the Bonds and the interest received from them are exempt from all "Federal, State, Municipal and local taxation", including personal and corporate income taxes. This provision has been affirmed by the U. S. Supreme Court.

Federal Land Bank Bonds are eligible for the investment of all fiduciary and trust funds under Federal administration. They are also acceptable at par as security for all public deposits including Postal Savings.

Bank earnings can often be increased by utilizing Federal Land Bank Bonds as security for Postal and public deposits.

Federal Land Banks are located at

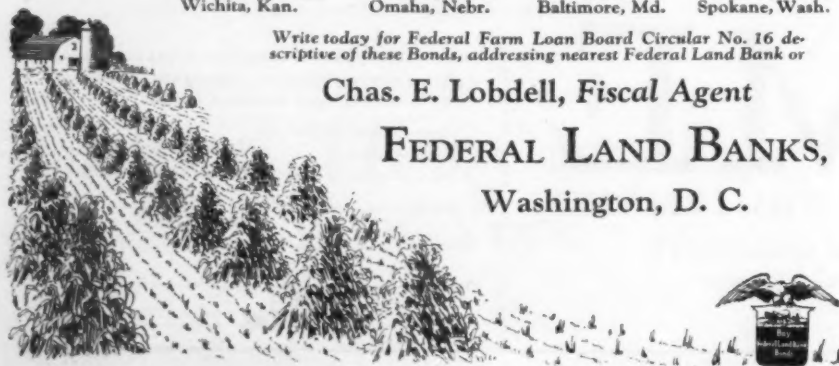
Springfield, Mass.	St. Louis, Mo.	Louisville, Ky.	Columbia, S. C.
New Orleans, La.	Berkeley, Calif.	St. Paul, Minn.	Houston, Texas
Wichita, Kan.	Omaha, Nebr.	Baltimore, Md.	Spokane, Wash.

Write today for Federal Farm Loan Board Circular No. 16 descriptive of these Bonds, addressing nearest Federal Land Bank or

Chas. E. Lobdell, Fiscal Agent

FEDERAL LAND BANKS,

Washington, D. C.



When writing to FEDERAL LAND BANKS please mention Nation's Business

fish producers," we little knew how quickly we should be called to account. It seems now that Indiana, the leading state in the production of American literature, is also a leader in the production of goldfish. This is the way in which a goldfish producer disposes of Mr. Kile:

He claims that twenty million goldfish are raised every year around Frederick, Md., and the only trouble about that is that he got too many noughts in his figures. We had a letter the other day from G. Lester Thomas, in which he said that he hoped to raise 500,000 fish this year instead of 1,500,000 mentioned by Mr. Kile. He states that Mr. Thomas has 40 acres of ponds, and that he is "the king of goldfish producers," while it just happens that we have 135 acres of ponds and will have 150 acres under water by this fall. Our ponds now number 200, and we will have perhaps 20 more in the new development. From these we will ship 5,000,000 goldfish this year in eight different varieties classified at a total of 40 sizes and kinds.

It is also very easy for any dealer to tell the difference between our stock and that of the Maryland hatcheries, because our stock is plumper, redder and has better tail and fin development. Also, we raise nearly twice as many fish per acre of water area as the breeders in Maryland, because they put the breeders in the ponds in the spring where the fish are grown, and the parent fish eat many of the eggs and young fish and the larvae of insects prey on the small fry.

What we need is a more accurate census of goldfish. Or perhaps "there ought to be a law" requiring goldfish to be registered and wear a license tag.

SAMUEL BOWLES made an overland tour of the west sixty years ago and wrote a book about it. The vocational perils of stage-coach drivers impressed the Springfield editor. In one year, he relates, eight California stages had been robbed by mail agents—eight in one year. And when I read it I was prompted to stop and compare the quiet, peaceful, one might say deadly monotonous existence of the early western stage coachman, perched up there with the Wells Fargo treasure chest, and the death-daring daily life of the near-sighted young man who goes to the bank for the pay-roll money in these thriving times of the hold-up man. Eight in one year! Any smart town of 15,000 can make a better showing today. The soda fountain man in an all-night drug store dodges more bullets in a month than the stage drivers of all the buckskin era.

THERE is increasing evidence that our little for Babbitt is going manfully. Comes now a letter from the assistant to the vice-president of the Illinois Central, who uses this phrase in calling our attention to an address by President Markham:

"Because of the 'Babbitt Revolution' which you have so vigorously encouraged in the pages of your splendid magazine."

We had not thought of it as a revolution but we submit the name for consideration.

THE CHAIR recognizes Dr. Hadley, President Emeritus of Yale University.

DR. HADLEY: "One of the greatest dangers which now confronts us is the increasing demand for ill-considered legislation, and the increasing readiness of would-be reformers to rely on authority rather than on public sentiment for securing their ends. When the republic was first founded we had more to fear from the law-breakers than from the lawmakers, from the abuse of authority than from its over-exercise. We believed in individual liberty and even times inclined to carry that idea to extremes. But this love of liberty has gradually given

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to zeal for standardization. The new democracy, in the words of Lord Farrer, is passionately benevolent and passionately fond of power. Today, it is from the lawmaker rather than the law-breaker that our American traditions of self-government have most to fear."

The Chair hears a motion to nominate Dr. Hadley to membership in our Fewer Laws Club. Unanimously carried.

A SERIOUS situation has developed in Newark, Newcastle County, Delaware. The volunteer fire companies out in the country, in their eagerness to serve, have formed a habit of running to other people's fires every time they see a glare in the sky. This causes confusion and congestion and also irritates the home fire companies. On one occasion, according to the news dispatch, some of the overly eager foreign firemen even ignored traffic regulations, parking on the wrong side of the street. The *Philadelphia Public Ledger's* Newcastle County correspondent reports that this deplorable condition "is causing considerable criticism and, it is said, will result in the legislature being asked to take some action to regulate the matter." No more than right; there ought to be a law. Home fires for home firemen.

REMEMBER when we used steel-cut nails? The nail makers were the best paid of all workmen. There was an art in sharpening the knives of the cutting machines and some of the men made twenty dollars a day and that was thirty-five years ago. A strike that lasted for more than a year stopped production, and one day the steel nail men found that necessity had provided a better and cheaper product—nails made from wire. A highly paid trade and industry had disappeared before employer or employee realized it. . . . No moral unless the anthracite people can find one.

ON PAGE 82 is an advertisement which gives our suggestion for a Christmas gift to one or several of your more important employees, or business associates. The suggestion is—NATION'S BUSINESS, the repeating gift.

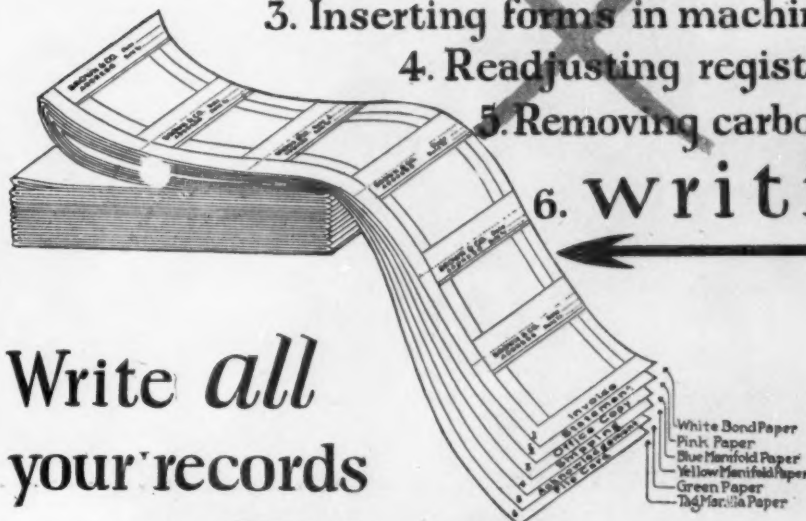
A LETTER from a reader in a central manufacturing city asks, "What is thrift? Is it the constant depositing of money in the bank . . .? We believe that wise spending and the proper circulation of money constitute thrift."

Is the really thrifty person the one who merely saves? Or is he the man who saves wisely and spends wisely? It isn't hard to answer that second question with a "Yes," but it's mighty hard to give a definition of wise spending. You and I are ordinary men, earning a little, spending a little less. We ought to save, and do save, something. We ought to buy, and do buy, some of the luxuries of life. But where draw the line?

The writer of the letter says:
"We are wondering if the banks, Y. M. C. A. and public schools are not overplaying their hands just a little when people come into our store with tears in their eyes and say they cannot make their payments on a purchase contract and with the same breath say they have the money in the bank but do not wish to draw it out."

With the writer's suggestion that payment of debts is a prior obligation to saving money, we can agree. One day of thrift week has been devoted to "Pay Bills Promptly." But we are less prepared to say that the banks are "overplaying their hands." Most of us need more driving to save than to spend. And

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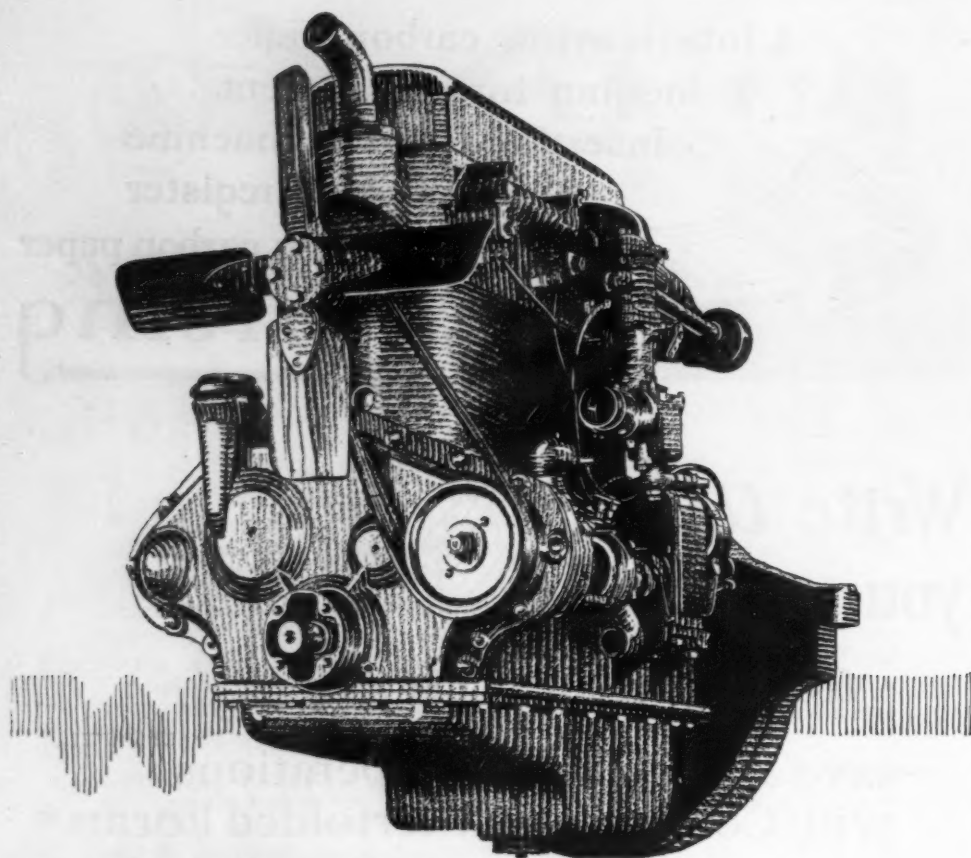
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- more miles between overhauls
- less time-cost per overhaul.

Wisconsin's "more power per cubic inch," due to refined, overhead-valve design brings the fuel economy.

Wisconsin's precision standards mean fewer trips to the shop.

Wisconsin's simplicity and easy accessibility cut the labor time.

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**MORE
POWER**



money that goes into banks finds its way, perhaps, into the very industries that make the things this writer sells.

OUR THANKS go out to Mr. A. N. Murray, president of the Kendall Square Manufacturers Association, for a framed copy of an appreciation of the manufacturer. It reads:

I BELIEVE IN THE MANUFACTURER.

HIS IS ONE OF THE MOST COMMANDING TASKS IN ALL CREATION.

FROM NATURE'S GIFTS, THROUGH HIS INFINITE INGENUITY, SKILL AND PERSEVERANCE, HE PRODUCES THE MATERIAL THINGS WHICH MAKE THE WORLD A BETTER PLACE IN WHICH TO LIVE.

HIS TOOLS ARE MONEY, MACHINERY AND MEN. HE INCREASES THE VALUE OF MONEY. HIS PROMOTION OF MACHINERY MAKES POSSIBLE THE PROGRESS OF CIVILIZATION.

HIS GREATEST ACHIEVEMENT IS THE DEVELOPMENT OF MEN.

HE IS THE MASTER WORKMAN OF THE WORLD. UPON THE SUCCESS OF HIS EFFORTS DEPENDS THE WELFARE OF HUMANITY. THE HOME, THE STATE AND THE NATION OWE MUCH TO HIM.

I HAVE UNTOLD FAITH IN HIS STRENGTH OF PURPOSE AND IN HIS UNIVERSAL INTEGRITY.

I BELIEVE IN THE MANUFACTURER.

AUTOMOBILE companies are planning to buy twelve vessels from the Shipping Board to be used in America's automobile export trade. Twelve ships devoted to carrying motor cars seem a lot until we read of John N. Willys' prophecy that the time is not far distant when 2,000,000 cars a year will be exported. Seems hardly possible; sounds almost as wild as the statement ten years ago that the day would come when there would be 15,000,000 automobiles in the United States.

ROCKVILLE, Md., is a community of 1,100 souls. Two months ago it organized a Chamber of Commerce. At its regular meeting it named a Public Utility Committee. This committee reported at the second meeting, one month later, pointing out that Rockville was on a medieval 25-cycle current, while its neighboring communities had the more efficient 60-cycle current. Representatives of the power company present agreed to put in the 60-cycle current and have it in operation by March 1. And they frankly admitted their action was taken because the Chamber of Commerce had brought the matter so intelligently and forcibly to their attention.

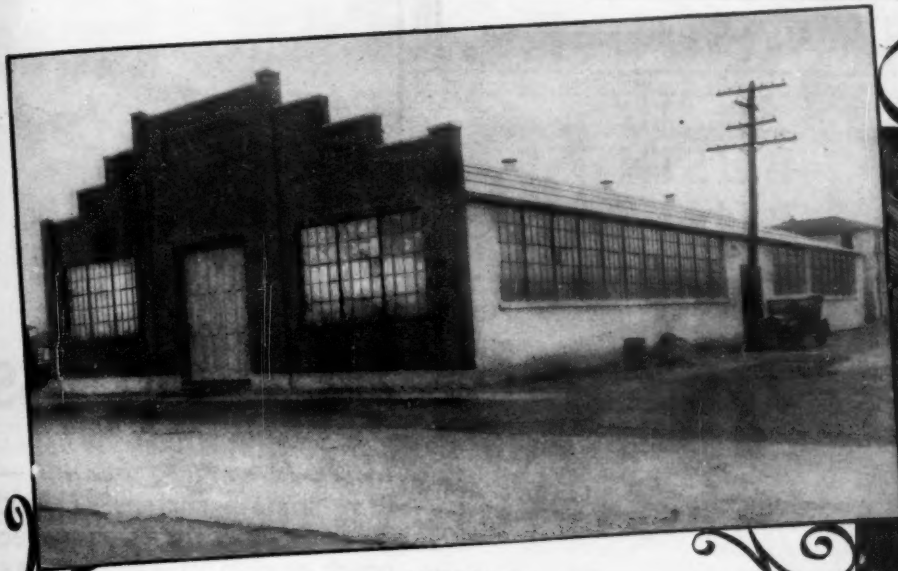
We don't know if there reside in Rockville any of the intelligentsia or followers of the Babbitt-baiters whose pastime just now is to deride chambers of commerce. If so, we hope they'll enjoy their pastime all the more with their 60-cycle current.

EVER notice the great increase in vice-presidents that drop in to sell you something these days? They say the real vice-president and sales manager of a Pennsylvania corporation asked to have his title changed to salesman—said it had distinction.

And that tale about three officers of a New York bank, picking up a pleasant-looking stranger at the first tee to make a foursome. After the game he happened to mention that he was vice-president of the Indoor Tennis Company.

"You don't say so? Well, now, that's just fine. So am I, and my two friends here are Mr. Brown here is a vice-president of our bank. Well, well, meeting for the first time out here on the golf course. What a small world! Now, Mr. Brown, we must make it a point to get together again and know each other better. Yes, sir."

M.T.



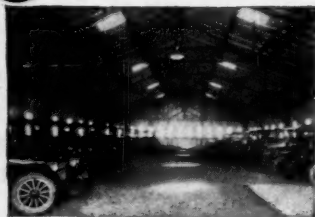
EXTERIOR

Blaw-Knox Steel Building used for storage by
W. E. Sexton, Contractor, of E. Williston, L. I.

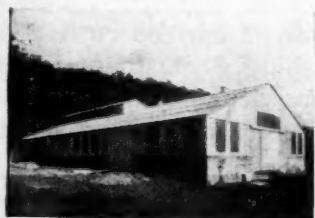


INTERIOR

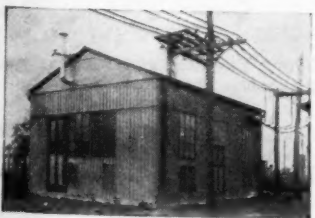
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...because of this, DUCO sometimes doubles the capacity of finishing departments, and largely reduces plant and stock investment.

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Congress and Business—a Forecast

By WILLARD M. KIPLINGER

TAX REDUCTION and reform, of course is the principal task before the first session of the Sixty-ninth Congress which opens this month. But other issues of great importance to American business confront the new Congress.

Some of these issues are: The World Court, railroad consolidation and railroad labor, foreign debt settlements, tariff tinkering (probably unsuccessful), postal rate revision, disposition of the Shipping Board—coupled with merchant marine policies, consideration of some sort of a new agricultural cooperative marketing agency—combined with a revised McNary-Haugen plan for disposing of exportable surpluses, branch banking, the coal industry, price maintenance and merchandise misbranding, a new program for both military and civil aeronautics, disposition of Muscle Shoals, reorganization of government departments, and the annual task of appropriating for government expenses.

Since this is a new Congress, bills do not hold over from the last session, but must be reintroduced and go through the intricate committee processes anew. There will be bills on every conceivable subject, many on the same subject, some introduced "by request" to please constituents, some presented purely for publicity purposes in the hope that they will be considered years hence. This is a normal situation in a new Congress.

No Need for Excitements

THERE is no need for the apprehensions and excitements which perennially arise in the minds of good citizens all over the United States because a bill on such-and-such has been introduced into Congress, or has been referred to committee, or even has been reported by a committee to the calendar. The mortality of bills in Congress is high, and millions of dollars' worth of time and energy will be spent during the next six months by enthusiastic citizens on propaganda for or against measures which for the present partake of the nature of ghosts.

Except for the introduction of bills, little apparent progress will be made by Congress before Christmas, and it will be the middle of January before the legislators appear to get down to business. An exception lies in the tax bill, on which the Ways and Means Committee of the House got an early pre-session start.

It is possible to forecast certain lines of action on a number of issues which are before Congress. Some forecasts are perfectly safe and definite; some are necessarily general. On a few issues the outcome is so dependent on influences which have not yet de-

veloped that the only honest statement is that "nobody knows."

In this review of the work before the Sixty-ninth Congress, I am taking some liberties in predicting, based on the observation of myself, my immediate associates, and Members of Congress or officials who are in position to know situations which are not ordinarily published in detail. Opinions herein are my own, although in formulating them I have relied to some extent on the opinions of men in whose judgment and information I have confidence. It should be understood that pre-

licans in tax cutting, and will count on the support of some western Republicans. An influence toward conservatism by the Democrats will be this thought: If some possibility for further tax reduction is left by this Congress, then another slice can be taken off two years hence, just preceding the presidential election, and if that Congress should have a Democratic majority, then the Democrats could take the credit.

As a means toward greater tax reduction, some Democrats propose that the program of sinking-fund appropriations to retire the public debt be curtailed, thus extending the period of paying off the debt to something like 62 years from the present plan of getting it paid in 25 to 30 years. I think this will not be done.

Can Expenses Be Cut?

ACTUALLY only \$300,000,000 of tax money goes annually into sinking-fund charges on the public debt, not including irreducible interest charges of \$882,000,000, and not including repayments of foreign loans which are applied directly to reduce the debt principal. If this tax money allotment is reduced materially, the wide market for Liberty Bonds and other government securities will be shaken. The Democrats are likely to come to realize this and revise their idea of political expediency.

Can government expenses be reduced enough to make possible a half-billion-dollar tax reduction, even without modifying the debt retirement program? I think not. The Government's expenses now are close to a minimum, considering the fixed scale of operation, and the tendency in the next five years will be upward.

The Treasury wants surtaxes reduced, with a maximum of 20 per cent. The Democrats are divided between one idea of cutting them still lower, and another idea that the maximum should be 25 per cent. The latter would leave more room for reducing rates which apply to a larger number of taxpayers.

Normal rates will be reduced, and personal exemptions probably will be raised, so that the large number of citizens with small incomes will have even less to pay in the future than in the past. To raise the personal exemption to \$5,000 will, in the end, be considered of doubtful merit.

The demand for abolition of the estate tax has become more popular in the last few months and the governors of many states have enlisted their political organizations in the fight for repeal. I think rates will be reduced, and that arrangement may be made for extermination of the Federal estate taxes in four to six years.

The corporation income tax rate may be

INTRODUCING MR. KIPLINGER



Willard M. Kiplinger

WILLARD M. KIPLINGER was formerly a Washington newspaper correspondent specializing on economic and financial matters. For the past six years he has been watching legislation, and more especially legislation as it affects business. He is a trained reporter of Congress. We asked Mr. Kiplinger to tell us what, in his

best judgment, would be the result of the new Congress in legislation affecting business.

Being fallibly human, he may be wrong in what he has set down here. There are points in this article in which we may not be in accord with the author, but we wanted his views and made no attempt to dictate what those views should be.—The Editor

dictions or opinions as expressed bear no relation to the desires, the prejudices, or the wishes, of either the writer, the editors, or the readers.

I cannot believe that the Democrats will be successful in their avowed intention of cutting taxes by anything like a half billion dollars.

Taxes I believe the aggregate reduction is likely to be a little more than the \$30,000,000 maximum recommended by Secretary Mellon and supported by the Administration. The majority of Republicans, whose party has the responsibility of administering the Government, will support the thoughtful proposals of the Treasury which insists that taxes may be cut safely by \$250,000,000 to \$300,000,000.

The Democrats, without the same kind of responsibility, will seek to outdo the Repub-

raised from 12½ to 14 per cent, and the capital stock tax repealed but this is not certain.

The fate of the automobile tax is doubtful. Motor interests have succeeded in organizing strong propaganda for repeal, and they have influential friends in the Senate, but at this time it is safer to count merely on reduction of rate.

There is much wailing against the publicity of names of taxpayers, with amount of their taxes. Practically this has not helped to collect taxes, and it has caused embarrassment, but to have it repealed will be more difficult than is generally assumed by business men. There is strong chance of more publicity, covering the principles and policies adopted in settlement of big tax cases within the Bureau of Internal Revenue, which now are kept more or less secret.

Advocacy of "decentralization" of the tax-collecting machinery will not get far in legislation. The Bureau is already decentralizing experimentally.

Charges of unfairness and weakness within the Bureau of Internal Revenue, especially on depletion and depreciation cases, as made by the Couzens Committee, will have influence in the drafting of technical revisions of the law. It is really in reformation of many administrative provisions that the new tax bill will be most desirable.

No General Tariff Revision

IT WILL take hard work to get the new tax bill through Congress before March 15. Talk of completing it by January is idle.

The general assumption that there is to be no general tariff revision at this session is correct, I believe. Many industries, however, have been planning secretly to have special bills presented to raise the rates affecting them.

Tariff A real flurry of excitement will be caused along about the middle of the session by introduction of a Democratic tariff-revision bill.

The most important prospective tariff legislation will relate to modifying or clarifying a statement of the functions of the Tariff Commission, especially with regard to the flexible tariff. Of course the flexible tariff has not flexed to any extent, and probably will not. But there is some insistence that the basis for determining competition of foreign goods be changed from costs of production to invoice price when the goods are imported into the United States, especially as manufactured and bulk articles.

There has been no end of trouble in finding foreign production costs, and in many cases it is futile. But invoice values are easily ascertainable, and there is a growing sentiment in Congress for making them the determining factor. The Tariff Commission will not be abolished, as so many seem to think; there is more chance that its fact-finding functions will be strengthened, in preparation for the inevitable tariff revision a year or two from now.

The Senate in special session after President Coolidge was inaugurated last March agreed to take up on December 17 the question of ratification of the proposal for entrance of the

World Court

United States into the Permanent Court of International Justice. Indications are that it has barely enough votes for adoption, mainly from the Democrats.

Republican opponents will seek to add reservations, even beyond the Harding-Coolidge reservations which aimed at making it clear the United States was not entering the League of Nations by joining its court, in the hope

that these reservations will prove unacceptable to the Democrats. Final action will be postponed, and chances of adoption before the end of the session are not as favorable as seems to be generally supposed.

There will be opposition from Senator Borah, chairman of the Senate Foreign Relations Committee, and from other Senators to confirmation of the Belgian debt settlement on the ground that it was too lenient. Criticism of this and other settlements will be tied up with the question of tax reduction.

Foreign Debts In the end probably all will be ratified, including Belgium, France (if the tentative five-year French agreement is first approved by the French), Czechoslovakia, Italy, Yugoslavia, Rumania and Esthonia. Negotiations on the last four probably will be completed during the session.

Legislation to stimulate voluntary consolidation of railroads is the principal railroad issue before Congress. The Interstate Commerce Commission, under authority of the Transportation Act, has done most of the necessary work preliminary to setting up its own permanent program of ideal railway consolidations as a guide for railways to follow in arranging their negotiations for consolidation.

Railroads

The law provides that the promulgation of this general plan must precede actual consolidations. Bills will be introduced at this session to repeal the consolidation provisions of the Transportation Act, thereby making it unnecessary for the Commission to set up its ideal plan, and encouraging railroad managements to go ahead and arrange consolidations on their own initiative, which, of course, would require approval of the Commission. This proposal will have a good chance of passage.

Farmers to Seek Low Rates

MANY railroad authorities believe that in one way it does not make so much difference whether the consolidation provisions of the Transportation Act are repealed or not, for they have served their most useful purpose in letting the Commission collect the voluminous data needed for its guidance in passing individually on proposed consolidations.

Equalization of earnings between strong and weak roads is the fundamental purpose sought in encouraging consolidations, so that a rate structure may be fair to the public and at the same time neither fatten the strong roads nor starve the weak companies.

There will be renewed demand for repeal of Section 15-A of the Transportation Act, prescribing a rate basis for earnings. I think prevailing sentiment in Congress is against repeal.

The Gooding long-and-short-haul bill will be agitated again, and there is likely to be a Mountain-states bloc behind it, offering to combine with other sectional blocs on other legislation. I believe chances are against passage, however, because of the disturbing effect on existing rate structures all over the country.

There is talk of repealing the Hoch-Smith Resolution adopted during the last session, under which the Interstate Commerce Commission is now making a general study of the railroad rate structure of the entire country, ostensibly to ascertain whether agricultural rates are too high. Repeal is doubtful.

The Commission, somewhat to the surprise of many, is making constructive progress in its investigations under this resolution. With the

Hoch-Smith investigation has been combined the matter of the application of western roads for 5 per cent increase in rates, and similar combination will doubtless be made in the Eastern class rate investigation, and the Southern class rate case if the Southern case is reopened.

Farmers' organizations are preparing to demand reduction of rates on agricultural products, and there will be much talk, but little effective action along this line in the present session.

Young Senator La Follette, son of the late Senator from Wisconsin, will reintroduce the much-discussed bill of his father to define the standard for railroad valuation work by the Interstate Commerce Commission as "prudent investment," which, it is assumed, would lead to much lower valuations than under the standard on which the Commission is now working. There is little doubt that the temper of Congress will be not to interfere with the Commission's valuation work.

There will be a big fight again on a successor to the Howell-Barkley Bill, which sought to abolish the Railroad Labor Board and substitute a system of boards of adjustment. There are some indications just now that the fight will be split into two parts: first to abolish the Labor Board without setting up a substitute, and second, to establish boards of adjustment, modified in form from those of the Howell-Barkley Bill.

Compromise measures are now being discussed between labor leaders and railroad managements, and Congressional action will be largely dependent on the outcome of these discussions.

There are two issues of importance to be watched—legislation to assist cooperative marketing, and a modified McNary-Haugen plan. On cooperative marketing, there are two schools of thought: One is

Agriculture

that there should be created some sort of a Federal cooperative marketing board appointed by the President from nominees of the various cooperative marketing associations, the board's function being to advise and work with the Department of Agriculture in promoting cooperative marketing. This plan will be put forward in a number of different bills. The organized cooperative marketing interests are opposed, and its passage is very doubtful.

To Adopt Marketing Plan

ANOTHER proposal is to stimulate research and education in cooperative marketing through a new division to be created in the Bureau of Agricultural Economics. This plan will have the support of the Administration and of cooperative marketing interests and is likely to be adopted. Funds will be appropriated to pay expenses of men whom the Secretary of Agriculture calls to Washington to consult on cooperative marketing.

The McNary-Haugen principle of dealing with exportable surpluses of agricultural products will come forward in a modified and more practical scheme and will have greater support than at the last session. I do not think it will pass at this session, but it will be with Congress perennially and deserves to be studied seriously.

There is some thought of modifying the Capper-Volstead Law which aims to exempt cooperative marketing associations from operation of anti-trust laws (but technically does no such thing). The amendments would legalize crop curtailment programs. Passage is doubtful.

The President's Agricultural Commission has been dissolved.

Shipping will provide as much talk as any other subject before Congress. It will revolve around the feud between the President and the Shipping Board, in which the President demanded of this independent agency that it retain Admiral Palmer as head

Merchant Marine

of the Emergency Fleet Corporation and give him freer hand in managing and disposing of government-owned ships. Instead, the Board dismissed Mr. Palmer. Previously one of the members, Mr. Haney, refused the President's request that he resign.

This has precipitated a mess of controversies involving not only the merit of conflicting Merchant Marine policies but also regional jealousies and political discussion concerning the rights of the executive to dictate to independent agencies of the Government.

This tangle of issues makes it difficult to predict what will happen. I think there is very little chance of abolition of the Shipping Board, as so many hope or fear. Furthermore, I doubt whether Congress will reorganize the Board so as to eliminate the present plan of having certain members who represent certain geographical regions of the country. This regional representation plan has strong political appeals; it is a handle by which Congress and political interests can retain a hold on shipping policies.

Divorce Proposed

AN ALLIED question is whether the Emergency Fleet Corporation, which administers the physical shipping properties of the Government, is to be divorced by law from the Shipping Board, supposed to be primarily a policy-making body. Sentiment for this seems to be strong. The preponderance of Washington opinion is that it will be done.

It seems to me, however, that there is a good chance of working this out in another way: By having the President rearrange the personnel of the Shipping Board so as to make it practically in harmony with him, and thus to give the Emergency Fleet Corporation a semi-independent status. The President has done this with the Tariff Commission and the Federal Trade Commission, without legislation in either case.

The McFadden Bill provides the biggest banking question before Congress. It makes a number of amendments to

Banking

the National Banking Act which are generally regarded as meritorious. It seeks to give national banks the privilege of having branches within city limits in states which permit this privilege to state banks, and this is generally agreed upon.

But it seeks also to restrict future development of branch banking to city limits, or perhaps to contiguous territory, by barring banks with wider-flung branches from being admitted to the Federal Reserve System. This provides the principal issue which kept the bill from passing at the last session. Support is well organized. Opposition is active, but

not so well organized as yet. Prospects of passage at this time, perhaps with slight compromises on what is known as Section 9, are favorable.

Regulation of the coal industry is bound to get into Congress debates, on account of the miners' strike and other factors. A permanent government fact-finding agency will be proposed and will have much strength in Congress, despite claim of operators that it is unconstitutional.

Coal

If the coal-strike situation becomes acute within the next sixty days, a bill giving the Executive wide emergency powers to deal with the coal industry would have strong chances of passage.

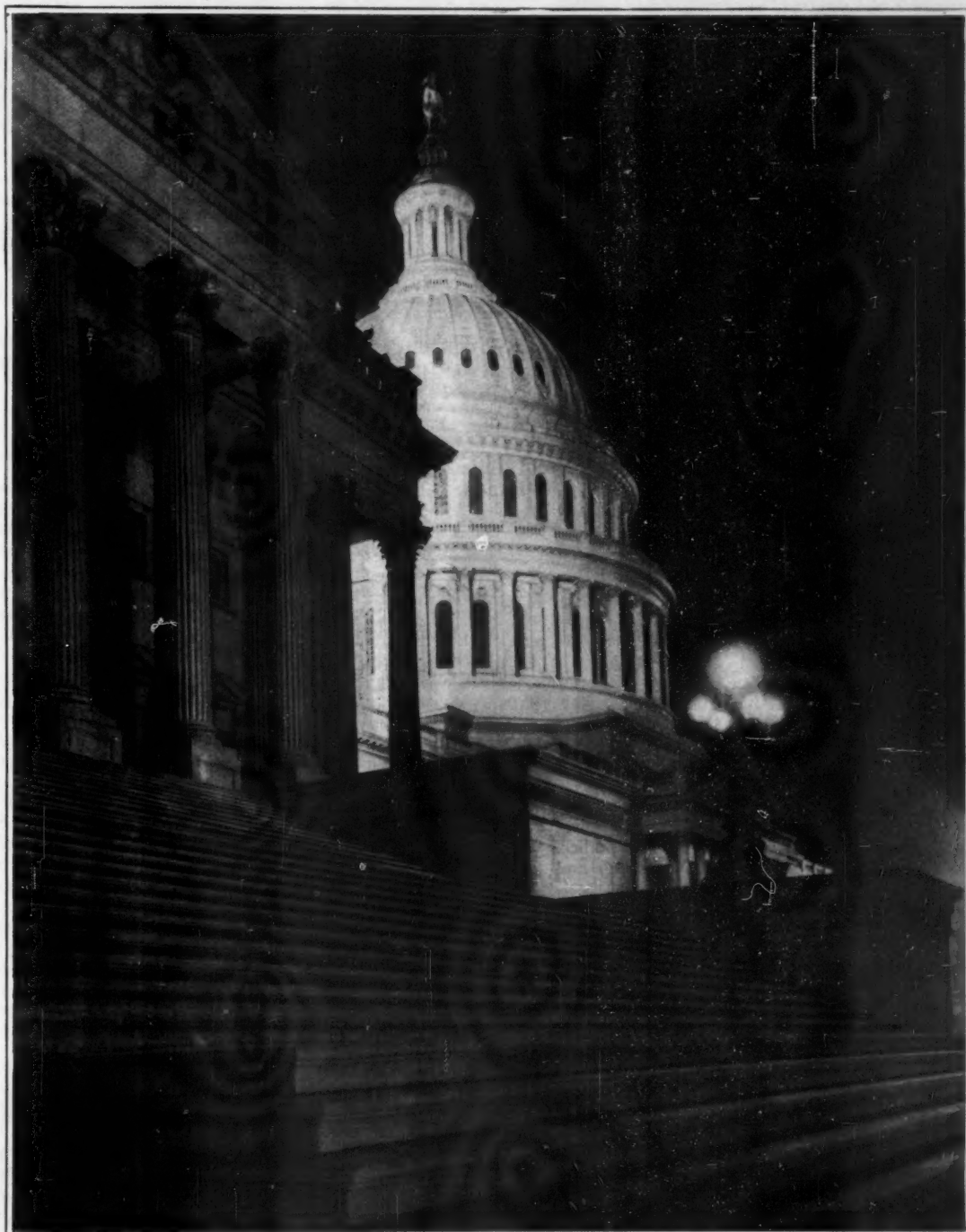
These chances would be increased if railroad labor unions carry out any threats of a strike in January or February either on their own request for higher wages or in sympathy

with the miners. Large mail users, especially the mail-order houses who use the parcel-post system, and direct-mail advertisers who use

Postal Rates

third class extensively, have systematically organized propaganda for restoration of the lower postage rates which were in effect before the last Congress. A joint committee of both houses held a series of hearings during the summer and early fall and is now ready to deliver its recommendations.

The general sentiment within this committee appears to favor keeping rates substantially where they are for another year. This attitude is supported generally by the Post Office Department which points out the need of maintaining rates which will bring in revenue to meet postal wage increases legislated at the last session. Whether rates will be lowered generally depends mainly on whether mail users can show that lower rates will mean materially increased traffic, and equal or higher



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Issues of great importance to American business confront the new Congress

revenues. The Post Office Department is skeptical on this point.

The principal changes proposed are: Reduction of private mailing cards from two cents to one cent; reduction of rates on third-class open envelopes (circulars, etc.) from one and half cents to one cent for each two ounces, or some other adjustment of weight limits; lifting the two-cent service charge from sales catalogs shipped by parcel post. There seems to be little chance now of having the two-cent service charge on parcel post removed, but the catalog differential is an important point for mail-order houses.

There is much talk of reorganizing the Post Office Department, establishing an efficient planning bureau, reforming the rural delivery service, and cutting expenses. This is in the minds of many postal leaders, but to date it has not gone far past the talk stage.

Bills to prohibit all kinds of merchandise misbranding will receive much attention, but members of Congress have not yet had enough education on the subject

Merchandising and I doubt that it can be passed at this session.

Another series of bills will seek to legalize the establishing of retail prices by manufacturers, and although there is ample reason for such a system in many trade lines, it will be hard to convince Congress of it without more agitation than can be crowded into this session. A bill to establish metric standards will be regarded with interest, and put off until future sessions.

I think Congress will pass the bill establishing a Bureau of Civil Aeronautics in the Department of Commerce to foster and develop commercial aviation. It will

Aeronautics be a big step forward, and commercial flying will make distinct progress during the next year.

Fertilizer manufacturers will make a hot fight to turn the Muscle Shoals plant into a generator of electric energy, rather than a producer of commercial fertilizer. The administration wants it sold or leased to private interests, for both fertil-

izer and power purposes. Henry Ford may come back with a bid for it. Most persons in Washington do not profess to know the outcome.

No amendment will be sought to the new Federal Arbitration Act, to remove the \$3,000 minimum limitation on controversies covered by the Federal act. Arbitration

Commercial Arbitration organizations are busy establishing practical arbitration tribunals in trade groups, chambers of commerce, and similar bodies. This represents one of the most important and unspectacular movements within the American business system in ten years.

The composition, procedure or functions of the Federal Trade Commission are not likely to be changed materially by legislation. It may be provided, however, that the authorization of both House and Senate, instead of one body alone, is necessary to institute a Commission investigation for Congress.

Radio Some new measure of control of radio broadcasting by the Department of Commerce is likely to be adopted.

Secretary Hoover is one who wants a bill

to legalize import combinations, but it will have difficulties in Congress. Taxation of

Foreign Trade American business men doing business abroad may be abolished or reduced. The Bureau of Foreign and Domestic

Commerce needs considerably larger appropriations to expand its foreign commerce work and probably will get them.

Although advocated by the Administration, a reorganization bill will encounter many objections and any material reorganization is doubtful. Various govern-

Reorganization of Government Departments ment agencies already cooperate more closely, with less essential overlapping of functions, than is generally

believed by persons outside of Washington. There may be talk of the establishment of a separate Department of Education but it will take years to put any such project through.

The Administration is inclined to support a measure providing for return of alien property, mostly German, to its owners and to do this at the present session.

Alien Property Coupled with this is the necessity of protecting American claimants whose claims have

been approved by the Mixed Claims Commission, but the disposition of the Administration is not to use sequestered German private property to pay off American claims against the German Government.

There are various plans for showing up the maze of political influence within the Alien Property Custodian's Office, but neither Republicans nor Democrats are anxious to take the responsibility of airing it.

An effort will be made to have the Federal Government cede to states all public lands. It probably will not get through.

Public Lands There will be demands for more lenient terms to settlers on reclaimed land, and to herdsmen on government-owned grazing lands. Reclamation will provide an active political issue.

No basic changes will be made, but some relaxations are possible on admission of aliens who are going into business and also on admission of immediate relatives of naturalized citizens.

Immigration Provision also may be made for registration of all aliens.

Administration pressure will be toward study and development of rivers, especially the Mississippi. Purchase of the Cape Cod

Waterways Canal probably will be approved, although this is one of the measures which may become involved in sectional log-rolling.

Cries of a "bread trust" will be raised in speeches on the floors of both Houses. Opinions are freely expressed privately by Washington officials that although there may be nothing illegal in these combinations so far, they are

likely to develop into competition-suppressing trusts.

Appropriation bills will be ground out by well oiled Congressional machinery in the usual course with one or two threatened by filibuster toward the session's end. Although they

Appropriations appear to be mere fiscal routine, they actually represent important

policy-making legislation, for policies in a concrete way are fixed in accordance with the money allowances.

The budget system will work as usual with a little more freedom on the part of Congress to revise the Budget Commissioner's estimate, than in previous sessions. This slight relaxation of the budget system is due to the fear of political reaction against strict insistence on maintenance of the administration's budget such as prevailed during the last two sessions.

Vice-President Dawes will continue his fight for amendment of Senate rules to provide cloture of debate and minimizing of fil-

Senate Rules busters, but he is not likely to be successful. It will come to be recognized that procrastination, by debate or otherwise,

is a means of killing "undesirable" legislation, as well as of preventing action on "good" legislation, and that the practice is too well rooted to be overturned just now.

A bill sponsored mainly by credit men to tighten up bankruptcy laws will be passed, but there is no certainty that it will get through this session. The

Bankruptcy difficulty is rather in inertia than in direct opposition.

Usurpation of Powers by the Executive This will be a subject of much talk, and little action. The executive branch of the Government always has

usurped and probably always will usurp powers which are technically legislative.

No new legislation is needed to clear the way for trade associations to gather and disseminate information on prices, production, costs,

Trade Association Statistics etc., since the Supreme Court defined their powers in the cement and maple flooring cases. Many trade

groups are going too far under these decisions, and are in danger of being charged with illegal maintenance of prices and suppression of free competition. They need better legal advice.

The House is now the more expeditious body, despite its size. Bills can be railroaded through the House only to be caught in con-

Congressional Machinery gestion in the Senate. Young Robert La Follette will be radical enough to make much disturbance, and to

make speeches which will get their space in newspapers. The old agricultural bloc has disappeared but a new one, made up of western and southern representatives, promises to appear for special log-rolling purposes.

Nicholas Longworth, new Speaker of the House, promises to be a little more the benevolent despot than any speaker for years but he is popular among the members.

The composition of the Senate is: Republicans, 55; Democrats, 40; Farmer-Labor, 1.

The composition of the House is: Republicans, 246; Democrats, 182; Farmer-Labor, 3; Socialists, 2.

The biggest part of the nation's business the Federal Government. To explain and report it to the business men of the country is part of the task of this magazine.

Congress will be in session soon after the magazine leaves the press. Next month until Congress adjourns, we plan to publish articles by Mr. Kiplinger and by others, discussing legislation more particularly as affects business.—The Editor.

Here's One Kind Word for Congress

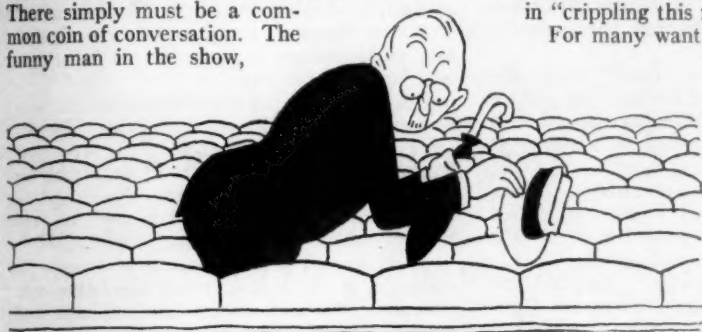
By HOMER HOCH

Representative from Kansas

Cartoons by Gluyas Williams

BASEBALL may still be the great American game, but it has its limitations. It is seasonal, and outdoor only, for which reasons and others it may well look to its title, with a contender that is both indoor and outdoor and runs the year round. I refer, of course, to our great national sport of Cussin' Congress.

And how come? As well ask how come all the endless talk about the weather. There simply must be a common coin of conversation. The funny man in the show,



Visitors go their way saying, "Well, that beats me!"

or the newspaper paragrapher must have always within easy reach some familiar pegs upon which to hang his witticisms. Three reliable ones are the mother-in-law, the bald-headed man, and Congress.

And the greatest of these is Congress. When all else fails him, all the funny man or the paragrapher needs to do is to take a hitch in his trousers, say "Hello folks" and hand a wallop at Congress! Without such blessed helps as this, we might be bereft of such public benefactors as Ring Lardner, Abe Martin and Will Rogers—and that would be national calamity.

But seriously, gentlemen of the jury—if a touch of seriousness is to be tolerated on such a light and gay subject—may a few feeble words be spoken in behalf of this Congressional Under-Dog? If it please the court, comes now the defendant, and pleads not guilty to a few counts, at least, in the indictment.

New Ways to Spend Money

IT IS ALLEGED, your honor, that Congress is utterly wasteful, that it has always been the extravagant branch of the Government. That charge has been repeated so often through the years that by very virtue of repetition most folks perhaps have come to accept it as an undisputed fact.

Many high-minded citizens have the idea that Congress puts in most of its time figuring out new ways to spend the people's money. But is this wholly true? The proper answer is that it is not. The simple truth is that instead of lying awake nights concocting wasteful expenditures, Congress spends much of its time and energy resisting demands upon the Treasury.

In the first place, it must resist the demands of governmental departments—the bureaus, commissions and various other units that constitute the spending branch of the Government. Every year these bureaus make their appeals for funds, and always ask for

vastly more than is given them. Weeks are spent on the job of shaving this bureau here and that bureau there and bringing down the totals.

Whereupon forces are marshalled and the cry of distress goes forth, and from Atlantic to Pacific, from organizations for all noble causes, from high-minded citizens individually and collectively come letters and ringing resolutions condemning Congress for its perfidy in "crippling this most valuable service."

For many want economy in general, but apparently have little use for it in particular. The cutting must always be done somewhere else!

Nor does this hammering for appropriations come alone from the departments. Resistance must continually be made to organized movements among the people themselves for large federal

expenditures. Every Congressman's desk is flooded with propaganda for this measure or that which means a drain upon the Treasury.

For instance, from the same Chamber of Commerce which had passed a resolution a few days before, demanding that Congress "trim expenditures to the bone," I received last winter a still more eloquent resolution urging the passage of a measure which would cost Uncle Sam at least a hundred million dollars the first dash out of the box! What evidence, on economy, does the defendant submit? Now, listen, for this is going to be startling! Believe it or not, but the figures show that ever since the passage of the budget law four years ago, Congress maintained its record of cutting away below the estimates submitted to it.

In the four years that the budget law has been in effect Congress has cut from the amounts requested almost \$350,000,000. For the first year perhaps the comparison is not altogether fair, for it may be said that the budget machinery was not fully in operation. So let us omit the first year of the budget and have the figures for the past three years. In these three years Congress has cut from the budget figures a total of \$33,978,597, or an average of over eleven million dollars a year.

Cut Another Eleven Millions

THE APPROPRIATIONS for the current fiscal year, made at the last session of Congress, are \$11,125,847 less than the budget requested. In other words, after all the heroic operations of the Budget Bureau upon the estimates from the various departments, Congress came along and trimmed another eleven million dol-

lars a year from the amount which the budget asked it to appropriate.

Nor does that minimize the work of the budget—the inestimable service of the Budget Bureau in going through the departmental estimates with flail and pruning knife. But if after months of pruning by the Budget Bureau, Congress still manages to cut off another eleven million dollars, isn't there just a little something that may be said for Congress in the matter of economy?

And speaking of the budget law—take that for another illustration. The budget system has constituted a great business reform. But does Congress get any particular credit by the press of the country for the budget law? On the contrary, there appear wise editorials spreading the impression that the budget system is something that was forced upon an unwilling Congress, and that it is in constant danger of being uprooted by a Congress restive under its restraints.

Performed Heroic Operation

WHAT is the fact about this? The fact is that Congress took the lead in bringing it about, that a special joint committee from Senate and House was created for the one purpose of drafting such a law, that after careful study and hearings this committee did draft it and that Congress took particular pride in its enactment, even persisting beyond one Executive veto and in 1921 got it on the books.

Not only that, but to adapt its own machinery to the budget plan, Congress performed a major and heroic surgical operation upon its own committee system.

In the House there had been a dozen committees with power to report appropriation bills. This power was taken from them and centered in one great Appropriations Committee.

That was good business, but it meant, incidentally,



GLUYAS WILLIAMS

that many members, who after years of faithful and honorable service had come to powerful places on these appropriating committees, must lose the power that attaches to the purse strings. Surrender of power is not easy. But it was done just the same—done by Congress all by its lonesome.

Thirdly, brethren, what about tax reduction? Has Congress had anything to do with that? Not on your life, assert the ready critics. But where did the surplus come from? And who made possible all the heated argument in the last few years as to the best way of revising the income and other taxes downward?

Well, ridiculous as it may seem, the fact is that Congress actually helped to do it. The budget recommends, and gives powerful aid, but in the final reckoning it is the congressional hatchet that must do the work. And deficits have been turned into surpluses because Congress kept down expenditures, because Congress cut and pared and sliced, while every activity that was hit roared its protests.

A Remarkable Achievement

THIS economy program has made possible in the last two tax-reduction bills a cut of much over a billion dollars a year and will make possible this year another cut of several hundred millions. While other countries have been increasing their national debts since the war, Uncle Sam has been reducing his. While states and municipalities have been increasing taxes, Uncle Sam has been steadily reducing them.

Aside from the two-billion-dollar annual charge from the war—interest on war debt, sinking fund and soldier benefits—and taking into account the increased cost of what he has to buy, Uncle Sam is almost back to the pre-war basis of expenditure. It is a remarkable achievement.

In this retrenchment program there has had to be cooperation between the Executive and Congress. The budget law placed in the hands of the Executive a new and better instrument with which to effect economies. But the law would have been dead without the Executive will to vitalize it, which has been given by both Presidents since its enactment.

The militant leadership of President Coolidge in an economy program and his vigorous administration of the new machinery are known to all men. Vigilant insistence upon cooperation both in letter and spirit has cemented a new loyalty throughout Uncle Sam's

vast establishment, and even the occasional reluctant bureau chief has been measurably won by the fear of wrath to come.

The results of all this are immeasurable. But after the President and the budget there still comes Congress. And Congress' contribution I have already noted. To be still more specific, in the search for tax-reducers, you might take the corridor to the right, leading to the sign "Appropriations Committee of the House."

Congress Has Wobbled a Bit

IF YOU wish to be still more "pussonal" you might slip in and watch Martin B. Madden, able, tireless and courageous chairman of that great committee—watch him as he operates with his snickersnee upon countless demands for government money. In this gentle art of retrenchment and tax reduction Congress has wobbled a little now and then, but in the main it has backed the economy program with a fine fidelity.

"But what of the pork-barrel?" snort the scoffers. What of river and harbor bills, padded with local favoritisms? What of the omnibus public building bills, fashioned by log-rolling?

Yes, what of it? Nothing much, except that in the main all that is ancient history. There was a day when pork was pork—but "them days," let us trust, "are gone forever!" At any rate no omnibus public building bill has been passed for a dozen years. Shouldn't the statute of limitations operate even for Congress some time or other?

That fact is that instead of building post-office buildings where they are not needed, as in the old days, Congress has not even been building them where they are needed. In many places the public service is sorely crippled by inadequate quarters. The same with river and harbor bills. In the dear, dead days beyond recall these bills were things of bad odor. But now no river or harbor project is approved except upon recommendation of the army engineers, and instead of spending too much money on rivers and harbors, Congress is perhaps rightly criticized for not spending more on our great main water highways, in this day when transportation needs are so acute.

What's Congress for Anyway?

BUT THOUGH pork is practically off the menu, the same old charge does business at the same old stand. Congress has even for four years now stopped the free garden-seed foolishness—but the pert paragraphers have not yet found it out.

"But," says the end man, "what has Congress done to give relief to the people?" There's your sockdolager? What has Congress done, for instance, for Bill Jones? Bill Jones, you know, mortgaged his home to buy him a fancy speed wagon, and unreasonable people who want their money are shamefully annoying him. Why doesn't Congress come to his rescue? What is Congress for, anyhow?

Precisely. We must legislate ourselves into good sense, prosperity and happiness. Hardly anything goes wrong in our economic life, our industrial, social or political life but what some gentlemen arises and says, "There ought to be a law."

Now heaven knows we always need good laws and fearless, impartial, enforcement of good laws, but what we really need in this old troubled world today is not as

much a lot of new laws as it is work—honest work, that isn't watching the clock—and thrift, and fair play, and the rule of good-will in business, in industry, in society—those are the only things that will save the world.

But should Congressmen complain about this urge that Congress be a grand relief society? Have not many Congressmen and other politicians cultivated the idea? In order to get the job have they not gone about telling the folks that if they were only down at Washington things would be vastly different, that Congress should get busy and do something to usher in the well-known millennium? Let 'em grin and bear it!

To Correct Bad Situations

BUT JUST another word on this. There is often much, to be sure, that government can do to correct bad situations. Laws may protect, and give to those otherwise denied it a fair chance in the game of life. Legislation is sometimes a powerful aid in bringing economic adjustment.

But there is no governmental magic wand to wave away the ills of the world. The doctrine of legislative panaceas has been overworked in America. We need to preach less about what the Government should do for the citizen and practice a little more on what the citizen should do for his Government.

Another ever-present source of trouble for Congress is the necessity for legislative compromise. Without concessions, without compromise of differences as to methods and measures there would be deadlock—and governmental services would cease to function.

With a country so big and with sectional interests so varied and often conflicting, to make 'em all happy is an impossible task. What New England wants may arouse no enthusiasm in Texas. The thing which would light the fireworks in Minnesota would bring a frost in Mississippi. Compromises must often follow, but a compromise seldom stirs anyone into glad, sweet song!

Most of the work of Congress is behind the scenes, in committee rooms. It must be so. But visitors look down from the galleries on perhaps a drab session devoted to routine matters, and go their way saying, "Well, that beats me!" And so it does.

And some near statesman makes a fool speech to which Congress itself pays no attention whatever but which gets the headlines, and folks exclaim, "What a fool thing Congress is anyhow!"

If Congress had nothing to do every year but draft and pass the dozen big supply bills that keep Uncle Sam's big business going, it would still have a sizable job on its hands. That alone means months of hearings, months of faithful, patient drudgery, going over the thousands



of items that make up the tremendous budget. But that is simply part of the day's work, and there's nothing much in it to write pieces about for the papers. And if anyone would bore himself by taking a House or Senate calendar and run through the list of things that Congress is busy about he would get an eyeful.

Public lands, army and navy, immigration, Alaskan fisheries, Panama Canal problems, postal service, reclamation projects, radio, reforestation, aeronautics, railroads, Indian affairs, banking system—a thousand things bring their grist for the legislative mill, and while the wheels sometimes grind slowly, every session shows a deal of substantial work accomplished.

But none of this moves the critic's heart. In a great newspaper last winter I read one of the familiar editorials demanding to know, sir, "what laws Congress has passed, though it has been in session since December!" And

behold in the same great newspaper only a few days later the same able editor thundered that, "there are too many laws, too many laws," and that, "Congress should put a stop to all this law-making!"

And Congress gets it goin' and comin', for when determined people make up their minds to enjoy their cussin' they will not be denied.

Congress Has Its Faults

NOW IN conclusion, if any hardy ones have stuck it through this far, this is no contention that Congress is a little angel, with wings and everything. Congress has its faults—some little, some great and glaring, and some the big, glorious faults that string along with democracy and liberty. But it might be worse.

And when you get right up to the critter you may find that it really has its points. Just like the penitentiary, Congress has the good, the bad and the indifferent. In its

membership are some brilliant men, are many men of splendid ability and some few, perhaps, who are not Dan'l Websters. And the average Congressman—now this is going to be a real bold statement—is square, earnest, industrious, faithful to his task, and honestly seeking to do the best thing for his country, seeking to do it in the midst of a flood of propaganda and with the chill winds of misrepresentation often blowing through his thinning locks. All of which is doubtless good for his soul!

Just once in a while, on some holiday when there is nothing much else to do, wouldn't it be a decent thing, and wouldn't it help to build up that faith in government which is one of the needs of the day, if from press and platform the people were told the fair truth about Congress?

Not for a regular diet, of course, but just for a little change—and then gaily back to the sport of cussin' Congress.

When New York Grows Up

The Story of How a Big Store Celebrated Its Anniversary With Appeal to the Imagination Instead of to the Pocketbook

By F. S. TISDALE

YEARS ago I worked in the advertising office of a big department store. The town grew, the store went along with it and before long was confronted with the happy necessity for a larger building. Being proud of the new store the merchants wanted to tell the world about it. They proceeded along accepted lines.

That was in the days when advertising ranted and roared. Screaming type informed the public daily of the "tremendous inauguration bargains" at the "marvelous new store." The language was winnowed for words that were large and long and heavy. Two or three times the English tongue broke under the strain, and French words had to be called in to meet the emergency. The advertising office totally wrecked its Webster's Unabridged and wore the binding off its successor.

It worked. Barring the nervous breakdown of the advertising manager, the opening was a grand success. Newspaper displays convinced the people that they had a fine new store at their service; bargains proved that the cost of mahogany fixtures and French mirrors was not to be added to the price tags.

It worked. And it still works. But there are other ways of accomplishing the same result.

Turned Imaginations Loose

WANAMAKER'S in New York had occasion recently to felicitate itself upon certain steel-and-stone evidence of healthy growth.

At Eighth and Broadway an old building had long offended the fourteen-story facade. It was torn down and the main building extended to fill out the corner. This same fourteen-story structure had a well running through its center from roof to basement; the well was built in—that is, each floor was extended over the opening.

The work was completed without disturbance to the store or its customers and was a mighty neat job of engineering. It

added space equal to four and a quarter city blocks to the selling surface of the floors. Now, Wanamaker's might have cooked up some rousing bargains to glorify the event and might have raised a great hullabaloo about it in their daily advertising. But they didn't.

The executives turned loose their imaginations. The walls of the buildings have been turned into one vast picture gallery. Apparently they have no more dollar appeal than the paintings at the Metropolitan Museum. All the canvases depict one subject—New York City. Imagination was not satisfied with recreating the past and showing the present; the artists swept right ahead and prophesied what the town would be like in the future. Amazing as their conclusions are, they are logical.

New York's 300th Birthday

THE DISPLAY is called the "Ter-Centenary Pageant of New York." Next year the metropolis will celebrate its three-hundredth birthday. Wanamaker's exhibit is a sort of curtain-raiser for the main event and will be carried over into 1926.

Most dramatic of all the pictures are three immense panels which hang in the well of the old A. T. Stewart Building. They are 65 feet from top to bottom and require the depth of four stories for hanging. The center panel starts at the bottom with two Indians in a canoe. As the eye travels upward the whole story of New York unfolds before it. Low down are the small red houses of the Dutch, above reminders of the Revolution, then the actuality of today's tall buildings and at the top, fantastic immensities of the future.

On the right another panel relates the history of shipping following through to the time when cargoes will take to the air; on the left is the development of transportation carried into the *nth* generation of our children. Long rows of portraits between these compositions portray the men who built the city—the "Titans of New York." They start with Henry Hudson and include warriors,

statesmen, business men, artists, writers, inventors and preachers.

These panels are the work of Willy Pogany and his assistants. Pogany's daring conceptions are heightened by dramatic effects. The pictures were painted on silk with aniline dyes. At first no brush was found which would handle this medium. But the problem was finally solved—with bear bristles! Lights placed back of the fabric illuminate the pictures in a way that makes you think of cathedral windows.

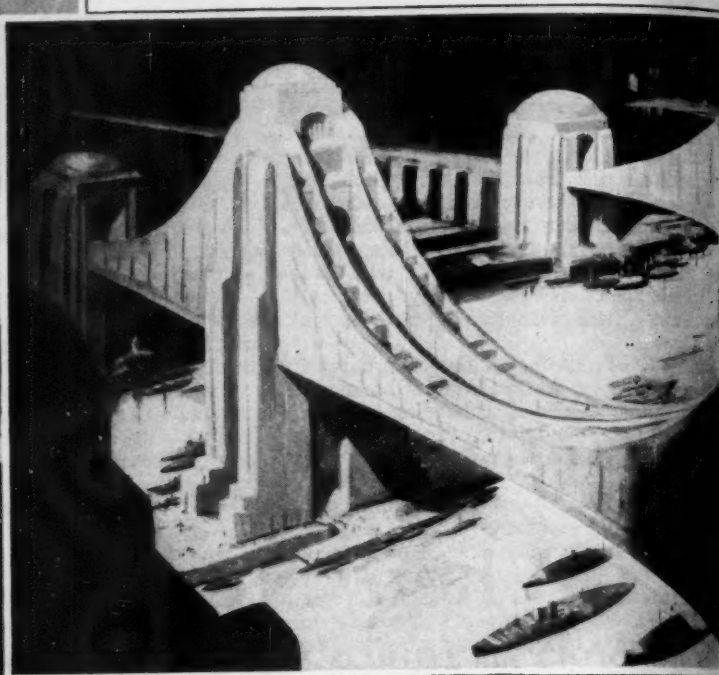
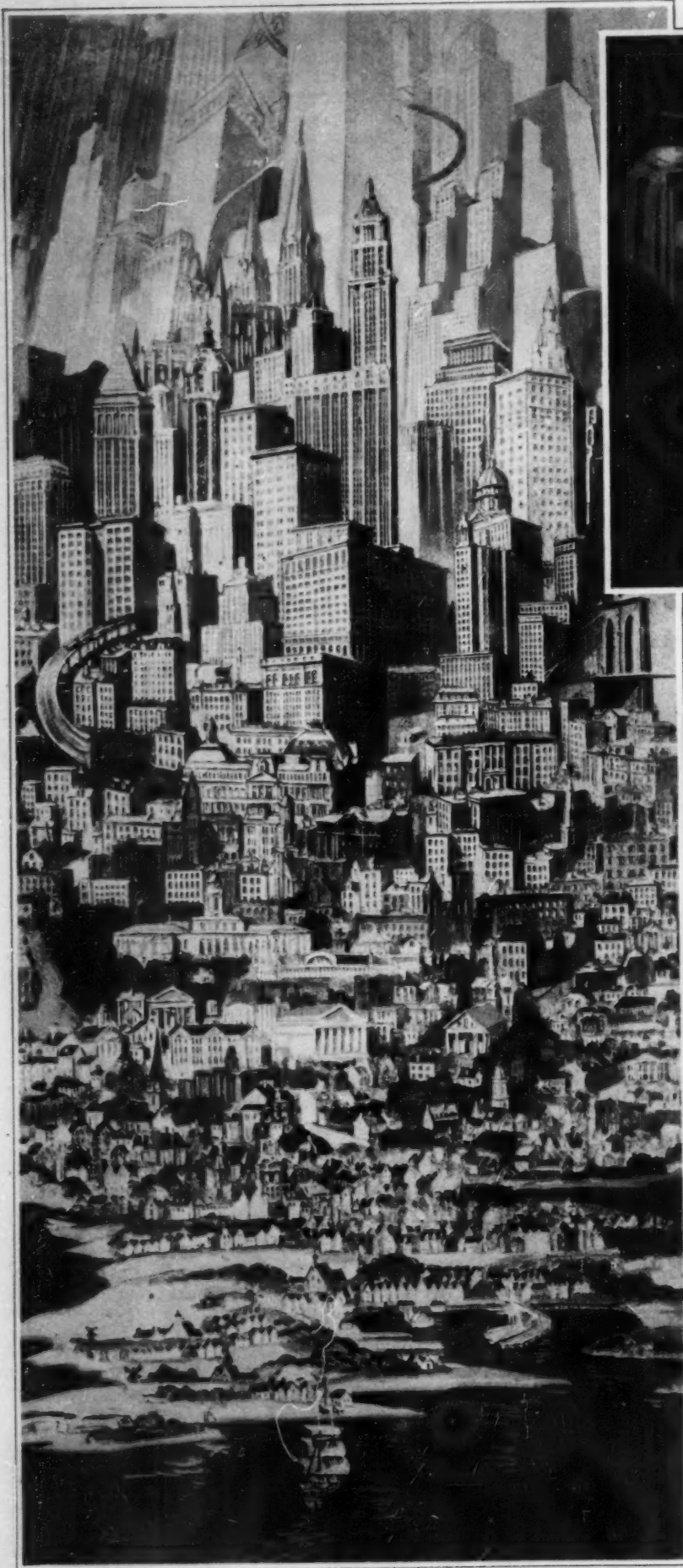
All the other pictures in the pageant are on the walls of the Wanamaker salesrooms. A series of eighty-eight color sketches elaborate what Pogany did on one 65-foot spread of silk. They pick up the story of New York at the time when naked Indians first caught sight of boats with sails, carry it into the easy-going times when hogs scratched their itches against what is now the J. P. Morgan corner, and so to modern times. Wanamaker's confines its own history within two pictures, one showing the growth of the New York store, the other that of the parent institution in Philadelphia.

A Thousand Years from Now

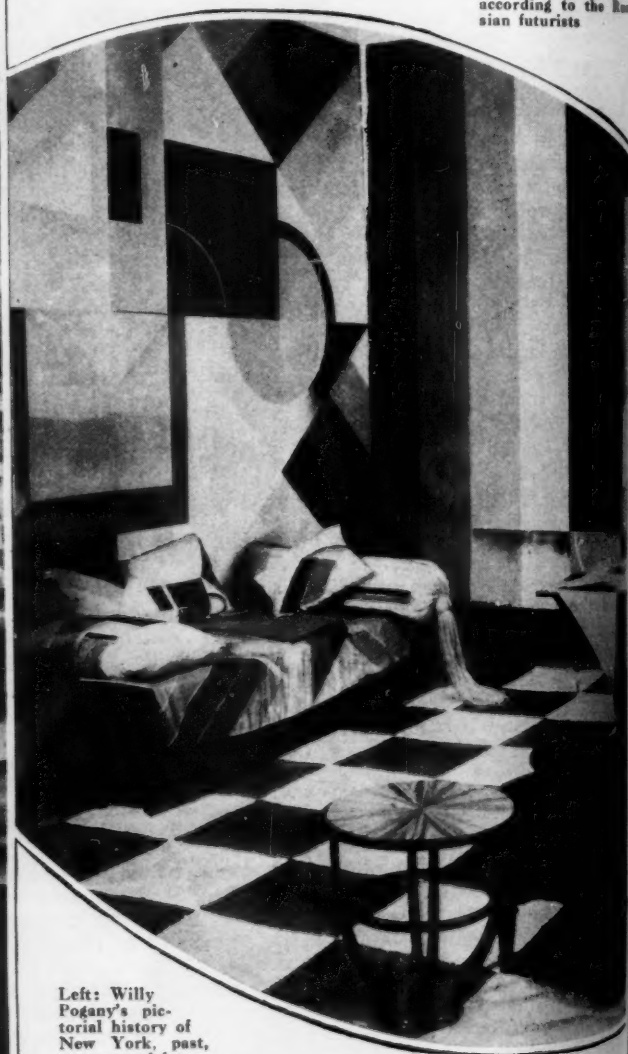
LEAVING the familiar walls and windows of present-day New York you catch your breath and jump off into a picturization of the future. Hugh Ferriss has painted the pyramided city of a thousand years from now. In another series Harvey Wiley Corbett handles the question of street congestion and prescribes remedies.

There is hope for the pedestrian in the Corbett sketches—if that species should by any chance survive. The concluding picture would pass as a walker's idea of heaven. Roadways from wall to wall have been given over entirely to wheel traffic. Above, the pedestrians trip happily along through second-story arcades; street crossings hold no perils as they are spanned by bridges. They

*Pictures on next two pages
Text continued on page 22*

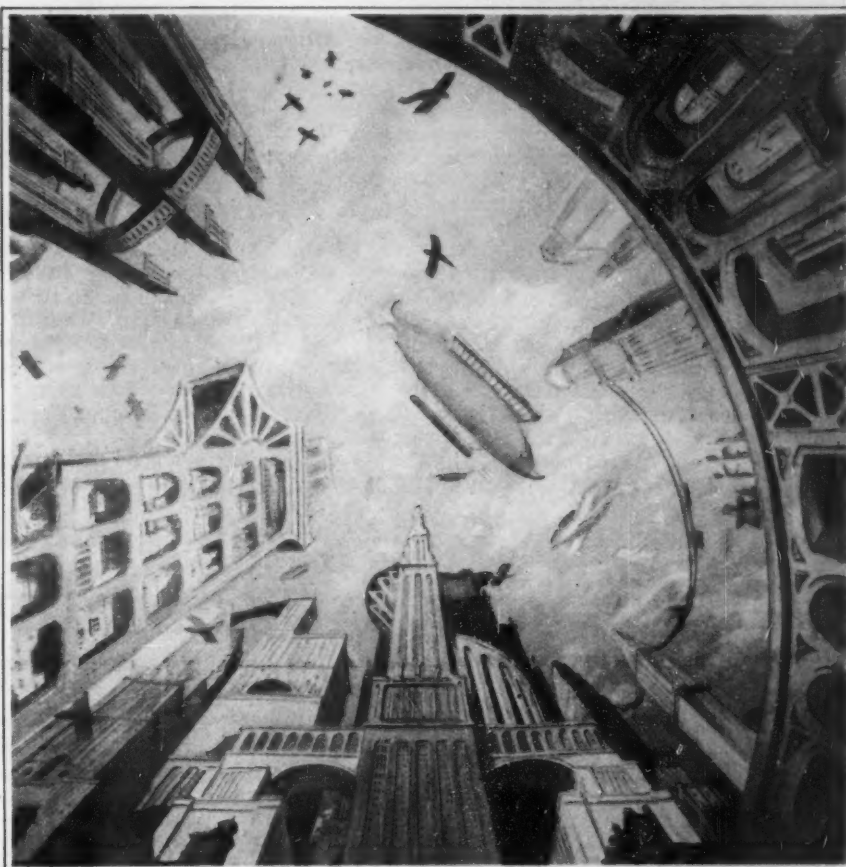
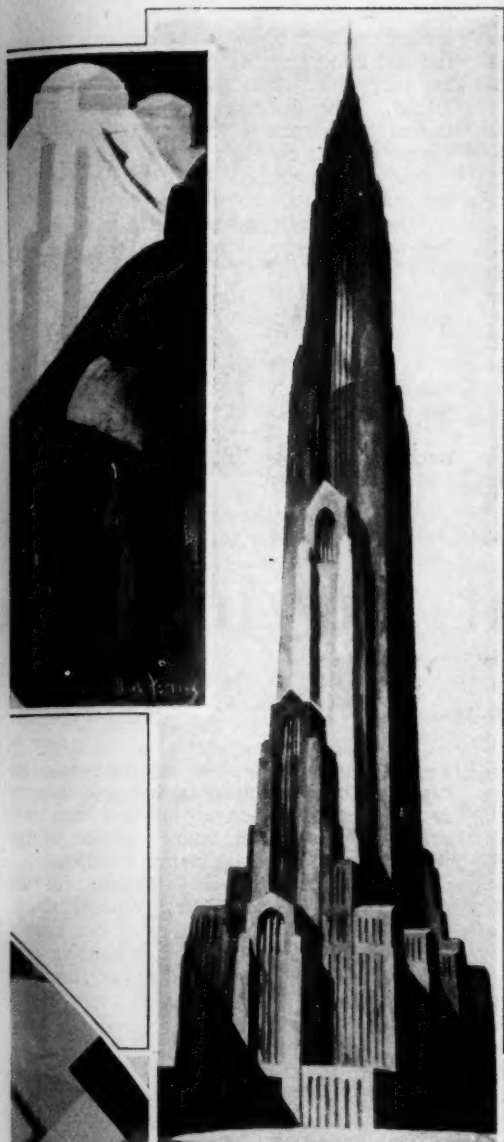


Above: Apartments on bridges. Below: A cozy corner of 2926 according to the Russian futurists

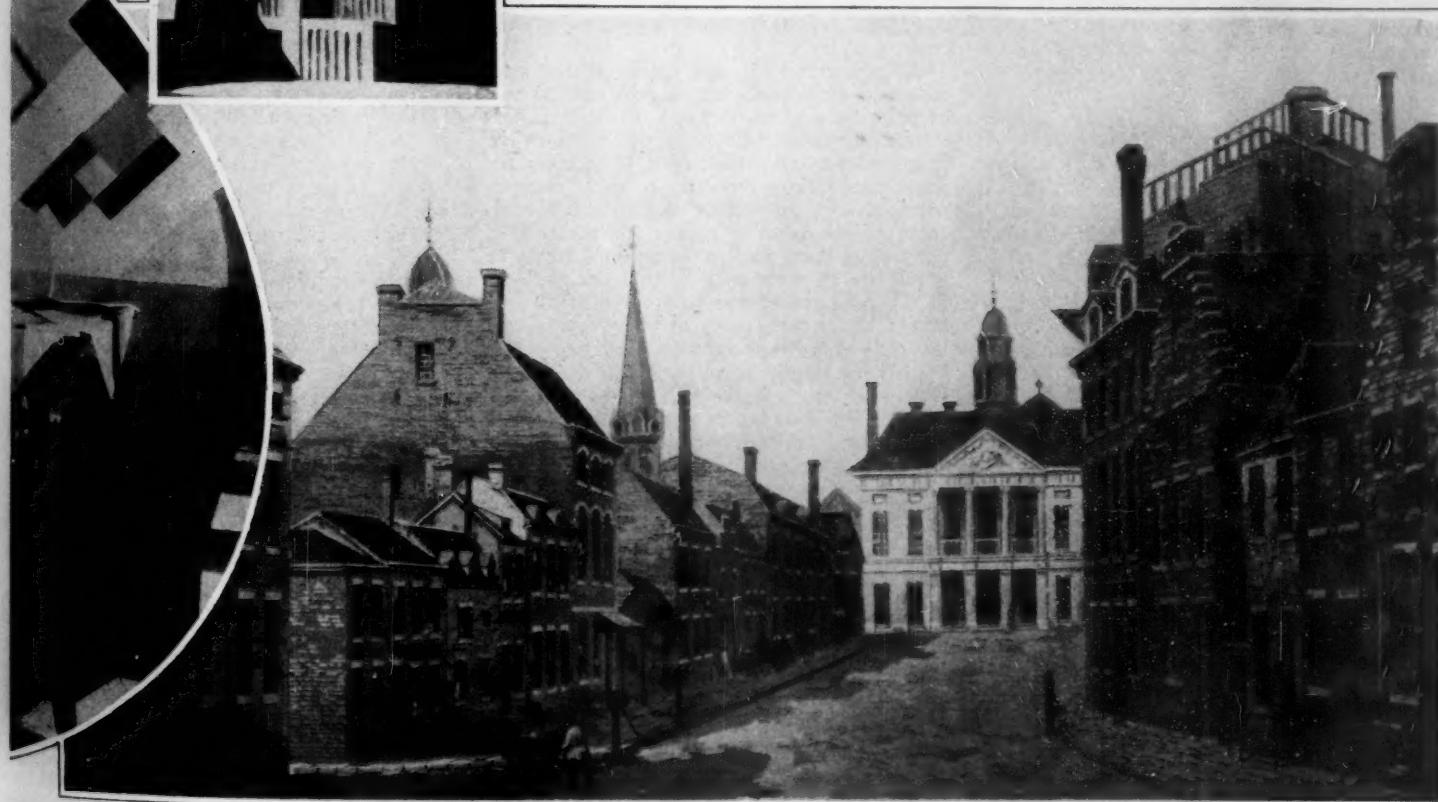


Left: Willy Pogany's pictorial history of New York, past, present and future

How the Metropolis Will Look to Our Great-great-great Grandchildren



For the best effect, hold this picture over your head when you look at it. It shows a patch of Manhattan sky as it will appear in the future. At the left is shown a future New York building of maximum height, under the zoning law and the limits of steel construction. Are these prophecies impossible? Below is an old-time picture of Broad and Wall Streets. What would the business man of those days have said had he been shown a photograph of New York today?



Some Pictures from Wanamaker's "Ter-Centenary Pictorial Pageant of New York"

have not forgotten the aeroplane. Platforms over docks and bridges afford them places to land and places to roost. Other exhibits include the Rodman Wanamaker collection of Indian photographs.

After settling the future of New York to their satisfaction, it occurred to the designers of the display that people would have to live in the houses. A natural inquiry was:

"What will a Park Avenue apartment look like in 1925 A. D.?"

To answer the question a pair of Russian futurists were called in. They consulted their geometries and paints with characteristic frenzy; their conclusions yell at you from the affrighted walls. Corners have been furnished to go with these neo-futuristic murals. Each visitor will be affected by them according to his disposition and the state of his liver. They may appeal to you if you happen to be artistically far-sighted, but speaking personally, I found it comforting to

reflect that I wouldn't be here to inhabit any such rooms.

After covering the displays—there must be miles of them—I rested my feet on the thick rugs of a Wanamaker office. To the executive behind the desk I said:

"Those pictures are all very imaginative and interesting—but after all they are only pictures. Nothing like that will ever happen."

Founded on Scientific Data

"WON'T it?" asked the Wanamaker man, "One of those pictures shows an Indian with a deerskin about his waist watching the arrival of a Dutch ship. What if that Indian—or the Dutch captain for that matter—had been shown a photograph of the buildings and streets of New York today? No artist of their time could have imagined the present reality."

"Now, there is a good deal in these pictures besides imagination. Research for instance.

They are founded on engineering and architectural data. The artists have simply extended the lines along which the city is growing and building. Some such results as these are inevitable. You can't stretch Manhattan Island. The drawings are founded on the logical development of steel construction forced upward by the city's expansion."

One other question: What did Wanamaker's get out of the display—in dollars and cents?

"Directly, nothing—indirectly, a great deal. We made no special effort to get people in with bargains. It all follows the policy laid down by John Wanamaker. He was dominated by a passion for education. John Wanamaker used to say that if you interested a person and taught him something, you made a friend, and that if you made a friend you made a customer."

"John Wanamaker is dead but his idea still lives. That is the thing behind the pictures you have just seen."

Billions in Instalment Buying

By J. H. TREGOE

Executive Manager, National Association of Credit Men

ONE OF the healthiest signs of the times is the increased acceptance of the idea that instalment buying based on future earnings of individuals has gone too far.

As early as the turn of the year 1924-25 credit executives of wholesale, manufacturing concerns and various industries were alive to the dangers of an over-expansion of credit.

Warnings emanated from the credit fraternity culminating in a formal declaration by directors of the National Association of Credit Men on March 4, which estimated that individuals' purchases of commodities on the instalment plan would run as high as three billion dollars for a period of about three months, and that this amount was too large to be wholesome.

No Fear of Credit Deals

THE EXECUTIVE who lives in an atmosphere of commercial credit has no fear of credit transactions as such. He knows that well over 90 per cent of all the business transacted in the United States is done on credit, and he is in a position to sense an over-development of the credit idea. It was this sensing of the condition that found expression in the declaration of those men responsible for the leadership of the thirty-thousand organizations bound together in the association.

The declaration stated that the marketing of certain commodities is conducted best through instalment payments, while for other commodities this form of payment is most unnatural. For the merchandising of commodities that deteriorate rapidly and which would be difficult to recover should the debtor default instalment selling is uneconomic.

Besides when deferred payment schemes encourage extravagance and excessive mortgaging of future income for immediate satisfactions, that are neither necessary nor important to proper living, they are a social as well as an economic danger. Credit cannot withstand these assaults without becoming infected and eventually weakening the other vital organs of the business body.

Allusion was made by the directors of my association to "the large number of finance companies now operating throughout the country" which are "encouraging instalment sell-

ing of commodities or even services—apparently merely that instalment paper may be created which they can discount at high rates. Aside from the material effects on the nation's credit there is a moral consequence that cannot be ignored."

If the nation's credit powers were severely burdened by some economic emergency, the credit men believed that the present tendency to create "an overload of individual credit" might become extremely dangerous. This warning was issued in the belief that upon the proper use of credit rests, in the largest measure, the prosperity and happiness of the country at large.

When a group of paint manufacturers proposed an ambitious plan to promote the sale of paint by a wide extension of credit in this commodity there were experts in credit in the paint industry who took upon themselves the ungracious task of objecting to such trade expansion. An apparently unsatisfactory outcome of the plan as applied to the sale of paint gives these credit men an opportunity to indulge in an occasional, "I told you so."

The outcome of the paint credit plan and others like it are some of the reasons why the attitude toward excessive instalment selling is becoming increasingly conservative.

Another safety brake that has been applied is the attitude of the banking interests, which have discouraged over-activity by financing companies whose business is primarily the handling of paper based on instalment sales to individuals.

Where Responsibility Rests

AFTER all does not the responsibility for the entire situation rest largely on the financial interests of the country? And is it not fair to look to the banks for statesmanlike action in handling the situation?

One of the basic principles of sound credit is that the final payment should be made before a serious depreciation has occurred in the goods themselves. It is obviously bad business to owe one hundred dollars on something that could not be sold for substantially that amount.

Let us look at instalment buying from a national, economic point of view. Is it not

clearly unsound for one industry—take for example the magnificent automobile industry in which every American business man takes pride—to absorb an undue amount of the individual credit of the nation's citizens?

Would it not be bad business for the nation as a whole if one product should make such deep inroads upon the current earnings of individuals that the clothing, provisions and construction industries should be starved?

Dangers by No Means Passed

IT IS estimated that the entire income of North Dakota from its wheat crop of 1922 was barely sufficient to pay the bills of its citizens for the upkeep and maintenance and fuel of their automobiles. If we are buying, as has been estimated, to the extent of five billions a year in automobiles, accessories and oils, this constitutes a large proportion of our income; and yet this may not be dangerously provided other industries are not seriously affected and the people are encouraged to distribute their buying power in reasonable proportions.

The dangers of a too great extension of credit are by no means passed. A few days ago, a man of my acquaintance discussed with a dealer in certain high-priced automobiles the question of terms on a car that he was about to buy. The dealer indicated no desire whatever to have the customer pay cash and expressed himself as entirely interested in how long the notes for the purchased vehicle were to run.

There are, however, so many signs of an improved attitude toward the subject of instalment buying that I am hopeful that this is a sane attitude which will soon be prevailing. If a balance is reached in instalment buying, the amount of instalment paper will not be so large as to endanger the entire economic fabric of the country should a general stringency in business occur.

Citing isolated cases in any connection likely to be unfair, but there have been reported numbers of instances in which families have pyramided their instalment purchases so that they were evicted after even a short period of unemployment of the principal

bread winner. In the vicinity of the Twin Cities—St. Paul and Minneapolis—the public charities officials have reported unofficially an increase in the number of charity applicants who had come to grief through undue instalment buying.

The radio receiving set is a new factor in the instalment selling field. At the outset radio sets were sold for cash. No system had been devised to dispose of them otherwise.

400 Millions for Radio Sets

MANY persons were deterred from purchasing radio sets on account of the price which in many instances was considerably above the \$100 mark. However, when the phonograph dealers began to merchandise radio sets on the same basis of payment as phonographs, the path to instalment selling of radio sets was blazed.

This year it is estimated that the sale of radio receiving sets and parts will be in the neighborhood of \$400,000,000. How much of this represents instalment sales? It must be large, for there are not many families which can afford to pay \$100 in cash for this form of entertainment.

New schemes of instalment selling are arising every day. A cursory glance at the advertising pages of magazines and newspapers is all that is needed to show the truth of this statement.

Many of these schemes are healthy modes of selling under proper conditions. Jewelry, clothing, furniture, sew-

ing machines, books, washing, electric cooking and heating apparatus, typewriters and bicycles are sold on the deferred-payment basis. When these articles are household goods, they are often sold through public service corporations. Much of this kind of selling is valuable to family life.

Another thing, which the high-grade advertising agencies through their organizations should try to combat, is the activity of certain advertising agencies in inducing manufacturers to enter into instalment selling campaigns, when in the long run this method of merchandising will not be beneficial to the particular business or to the public at large.

Some of these advertising executives show manufacturers how they can increase the out-

put or production of a factory by the "simple" scheme of selling on a deferred payment plan to be put over by a nation-wide publicity campaign. The scheme is alluring, and examples of how other manufacturers have accomplished similar success which the advertising expert promises, induce the advertiser to agree perhaps to a million dollar advertising budget.

Situations Should Be Watched

THE agency takes its 15 per cent of the cost of the advertising business thus placed and the manufacturer temporarily finds himself operating at an increased rate of production. But the difficulties arise where the goods are not the kind that should be sold on deferred payment plans. Difficulties in collections occur, and defaults in payments result in the piling up of stocks.

The situation is improving, but it should be watched as there are still new schemes based on instalment selling which are appearing almost daily. Much responsibility rests on the banks and on far-sighted business men who can sense the possible economic dangers that might develop in even a short period of stringency.

BOUGHT and not paid for!

Is too much individual buying on the deferred-payment plan endangering the prosperity and happiness of the whole country?

"Yes," says the writer of this article.

"But," says A. R. Erskine, President of Studebaker, elsewhere in this magazine, "this credit is in my opinion thoroughly sound and proper business. Above all, it raises the standard of living and increases the responsibility, and therefore the efficiency and output of the workmen of industry."—The Editor

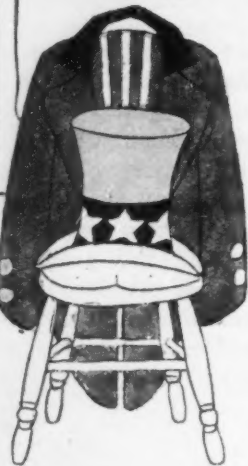


We're Wasteful in Wearing Out Money

By WILLIAM ATHERTON DU PUY



The pessimist, it is said, wears both belt and suspenders. What should be said of Uncle Sam who supports his financial trousers with five different kinds of paper money?



MARCO POLO brought this paper-money idea, about which men have worried so much, to the western world. Being one of those persons who can't stand still, he had been east to Cathay. This was about 200 years before another Italian by the name of Columbus felt the urge to go west.

Marco Polo looking about him put in his notebook an oft-recurring entry: "These people are idolaters and they use paper money!"

It is not recorded that Europe worries much about the idolatry, but the paper-money idea caught on. It was so much easier to print it than to make it out of precious metals. From that day to this they have tried to make the output of printing presses serve the purposes of money. Unfortunately such money has often shown an affinity for waste baskets. There has been but one sort of paper money that has stood up, and that has been that which had something of enduring physical value back of it.

Clumsier Than It Should Be

IN THIS country as in others, we print paper money with gold back of it. Whoever wants to use paper money because it is handier may have it, but he who wants gold may get it for his paper.

This paper money in the hands of the people is a tool to be used. It is handier than a pair of pliers. It will mow a lawn or take one on a trip to Vienna. It is the handiest tool in all the world and it is important that it should be kept at its best.

Yet it seems that it is not. It is clumsier than it should be, more complicated, more costly. It needs to be trimmed and shaped, to have the deadwood cut out. Its use by the public is not always expert. The public has not thought out the proper use of this effective tool.

There are three provinces of Government that are fundamental: carrying on its foreign relations, maintaining the national defense, and providing a currency. The extent to

which national well-being is dependent on the maintenance of a proper currency has been many times demonstrated in recent European history. The task of maintaining a proper currency falls to the Treasury Department. Now after 136 years of operation, it is taking a look to see what may be done to improve the situation.

Just Happened to Us

THE United States does not have a paper currency, but five paper currencies. One may go to the bank with a check for a hundred dollars and ask for twenty-dollar bills, all of a different sort, and get them. One will have a picture of a person named Daniel Manning on it—that is a silver certificate. One will carry

the face of Washington—it is a gold certificate. That with the picture of Hamilton is a United States note; that with Hugh McCulloch is a national-bank note, and that with Cleveland is a Federal-reserve note. Each is representative of a distinct type of currency.

We did not consciously set up these five kinds of currency for ourselves. Most of them just happened to us.

One becomes confused with five kinds of twenty-dollar bills. He never knows what to expect and so is never able to identify the bill except by the denominational numeral in the corner. It is the detail in the body of the bill that carries protection against counterfeiting, and the average user of currency becomes so confused with all the varieties that he learns little of this detail.

One is likely to be surprised upon learning that the Government worried along without any paper money before the Civil War. The only paper of that period was that issued by the state banks. It was mostly fiat money, having nothing back of it but the bank's promise to pay. Most of it was below par, as fiat money is likely to be. In traveling from state to state the paper dollar was found to be everywhere of a different value. Money was chaotic in the United States seventy years ago.

Survivals of Civil War Time

THE Civil War forced us to work out a better currency system but we floundered around some while doing it. Three of the currencies in circulation today are survivals of the groping of the Civil War period. The first of these is the United States note. They are the "greenbacks" of the Civil War period. The Government issued them at that time as promises to pay. They depreciated in value as have many European currencies dur-

ing and since the World War. Then, with the growing strength and prosperity of the country, they fought their way back to par and in 1879 were made redeemable in coin.

But instead of retiring them Congress made them into an endless chain by instructing the Treasury to issue a new note whenever it redeemed an old one. There were some \$346,000,000 of them that thus became a permanent element in the currency. They are now in circulation.

Another creation of the Civil War period was the gold certificate. Congress, in an attempt to coax gold back into the Treasury, passed a law authorizing that agency to receive the yellow metal and issue gold certificates in its stead. Little came of this law for decades. There was not much gold and its owners preferred it in the tin box. The gold presented up to the beginning of the present century was inconsiderable. Then it began to come in. This currency typified the gold for which it stood by its yellow back. It is easily recognizable. There is something like a billion dollars worth of it now out.

The third of the currencies that had its birth in the needs of the Civil War is that of the national banks. National-bank notes came into being toward the close of the Civil War and accomplished two important purposes. They provided a paper money that was fully secured and they created a sale for Government securities.

450 Million Silver Dollars

IN THEIR creation Congress provided that under given conditions banks could issue these notes with their names on them if they would deposit prescribed government securities with the Treasury to guarantee their payment. The banks wanted to do this because it was profitable to them. They therefore bought the securities. This provided funds for governmental purposes. They issued a new currency which was much needed. The currency, having value back of it, stood up. Congress then taxed the old state-bank issues out of existence.

The national-bank notes were the main currency reliance of the Government for 35 years. There they are today in your bank-roll with the name of some one of the 8,000 banks that issue them printed boldly on their faces.

It was in 1878 that the Congress, finding that the silver that had been used as coin was sagging too heavily in the public pocket, decided that it would put it in storage and issue warehouse receipts against it. These warehouse receipts were known as silver certificates. They added yet another currency to the three already in existence. As time has passed the bulk of them has grown larger.

There are now some 450,000,000 minted silver dollars, tucked away in government treasure houses with warehouse receipts out against them.

All of these currencies are as good as gold. The Congress has specially authorized and directed the Secretary of the Treasury to maintain the parity of all of them which means, other expedients failing, that they shall be redeemed in gold. There were some

issues of other types, such, for instance, as Treasury notes of 1890, but they did not find a permanent place in the currency. Then came the fifth of the present currencies, Federal-reserve notes, created in 1913 to remove a vital defect that was common to the old issues. A system was created and put back of Federal-reserve currency.

There are obvious disadvantages in maintaining these many types of currency. The confusion of them is plain. There would be economy in their simplification. Secretary Mellon has taken a position in favor of the gradual retirement of the national-bank notes. The uselessness of maintaining such issues as the United States notes is recognized. The situation requires simplification. It is the policy of the Department to work steadily toward that simplification.

Wide Range in Denomination

THE Government is finding loose bearings in its money machine, not alone as to type of currency but as to denomination. It has in use ones, twos, fives, tens and so on up to ten-thousand-dollar bills.

But of late the Treasury has observed a new tendency in the use of money. The public is constantly calling for more small denomination bills and less big ones. The run is on one-dollar bills. Where the public used one one-dollar bill in 1900 it is now using seven. Where it carried one one-dollar bill in its pocket in 1910 it is now carrying three. Carefully worked out figures show that, in 1914, one-dollar bills made up 40 per cent of the bulk of the paper money outstanding. Today they make up 50 per cent of that bulk.

There is much to surmise as to the cause of the increased use of one-dollar bills. Increase in prices would call for a greater amount of money, of course, but why the small denomination should increase more rapidly than the larger is not so obvious.

Some believe that the automobile is to blame for the increased use of dollar bills. Five gallons of gasoline is a dollar bill and a few cents. Ten gallons is two ones and some silver. This is an ever-recurring purchase throughout the nation. It may have much to do with the boom in ones. It seems, upon examination, however, that a new-formed currency habit has become general throughout the country. The public seems now to be carrying a wad of one-dollar bills in its pocket. Where the average man used to carry a ten

and a five in his wallet, carefully buttoned into an inner pocket, he now carries twenty ones, stuffed in his trousers pocket.

There is a run on one-dollar bills. They are demanded in hundreds of tons at the United States Treasury. A thousand dollars in paper money leaving the Treasury nowadays is likely to be bulkier than it used to be, because there is a larger percentage of one-dollar bills in it.

The Treasury holds that there is an economical and an uneconomical use for one-dollar and ten-dollar bills just as there is for one-ton and ten-ton trucks. It believes that the excessive use of ones inflicts an unnecessary hardship on the business community and the Treasury Department.

The American public has definitely given up the use of metal money other than as small change. It is to be expected that the one-dollar bill should be much used as the next step above quarters and halves. Then there is a logical point where efficient use of currency requires that the ones should give way to twos, fives and tens. The public seems to be disregarding this point.

The prejudice of the public against using two-dollar bills is amusing but probably prejudicial to currency efficiency. There is a superstition that the two-dollar bill is unlucky.

The probable origin of this superstition is interesting. The United States got its dollar from the old Spanish pieces-of-eight. There were also pieces-of-six, of ten and of thirteen. These Spanish coins were more plentiful in Colonial days than were English coins, because Spain had much silver. The buccaneers of the Spanish Main were a superstitious lot and afraid of these pieces-of-thirteen. The two-dollar bill is its successor and the repute of ill-luck has stuck through the centuries.

The Government believes that the two-dollar bill, if circulated, would serve a useful purpose. It cites the fact that four to five times as many of them in proportion to one-dollar bills are found in the pockets of Canadians as in the pockets of Americans. Every additional million of them put into circulation here might take the place of two million ones. Each two-dollar bill put in circulation saves its weight in ones.

Here is the way the use of extensive one-dollar bills works. An employer may, on Saturday night, pay his clerk in twenty one-dollar bills. If he does so he uses currency more unhandily than he would if he put one twenty-dollar bill in his envelope.

The clerk may go to the bank and deposit his



We inherit our two-dollar bill superstition from the buccaneers of the Spanish Main

money. The bank must count twenty ones where a twenty-dollar bill would count itself. Or the clerk may go to the grocery and buy \$10.50 worth of supplies. He must laboriously count out eleven ones. The grocer must as laboriously recount them. In later making up his cash he must count them again. When he takes them to the bank they must be recounted.

Will Save Unnecessary Work

THESE twenty bills are in the course of being worn out and returned to the Treasury Department for redemption. All along the route they require counting. Probably they are counted a hundred times before they get back to the Treasury.

If a twenty-dollar bill can take the place of twenty ones in all those countings it will save just as much unnecessary work. When it comes back to the Treasury for redemption one new bill will need to be issued in its place instead of twenty.

This is an extreme example, of course, but transactions involving this principle are the rule rather than the exception. Few change makers, the Treasury Department holds, have ever stopped to think out the proper principle upon which to base the operation. If the change makers of the nation could be induced overnight to do just this they would probably save the Government two millions a year at its money factory and the money-using public many times that amount in wasted time in money counting.

There is an efficiency principle readily applicable to change making. It is this: when not asked to do otherwise, make change in the least possible number of bills. This is merely a basic principle. When a customer asks for his money in any particular form, his right should not be questioned.



He now carries twenty "ones" stuffed in his trousers' pocket

Business as Business Men See It

We Asked a Score of Business Leaders in All Parts of the Country What Could Be Expected for the Early Part of the New Year. Here Are Their Answers

WHAT'S ahead—not way ahead, but as far as you can see with some clearness—for the wind-up of this year and the first few months of the next?

"And how does business look, particularly in your own industry and your own part of the country?"

Those, summed up briefly, were questions put by NATION'S BUSINESS to a score of men in widely varied industries and in widely separated sections of the country.

The answers weren't a unit. There were one or two who felt that they saw gathering clouds on the horizon. It was significant of many of the expressions that the writers were unwilling to go on record as looking for good times to last very long. Not that they were predicting trouble after six months or eight months; but they didn't feel that they could see clearly so far ahead.

John G. Shedd, eminently qualified to judge, as chairman of the board of Marshall Field and Company, is on the whole, optimistic. Says he:

"The business situation in my opinion continues to present every aspect of fundamental soundness. A possible question mark might be placed against such activities as the tremendous credits necessary in real-estate and stock-exchange transactions on present, seemingly inflated, values.

Dry Goods, Chicago

"Agriculturists seem to be justified in their present happy frame of mind. The cereal harvest has been fairly abundant, and prices maintained on a profit basis, while farm products such as cattle, sheep and hogs, have produced large returns to the Middle West.

"While cotton has had its thin spots as to yield, Mississippi alone has a crop that should yield at present price to the producers of that state, in round numbers, \$175,000,000.

"I believe that the frozen credits of the Middle West are largely liquidated, and that most communities have money to spend and are using it on a fairly liberal scale for personal needs, farm equipment and merchandise in general.

"Retail conditions, therefore, are almost universally excellent. Stocks in merchants' hands are well balanced but low—demand increasingly good.

"The textile products of our mills are largely sought and sold up to production. Mills in some sections of North Carolina and Virginia have been badly curtailed in production, the necessity of their working half time being caused by the great drought in that district, making it impossible to obtain power.

"I have never found trade as a whole in a more optimistic mood, which I endorse fully. Credit for a large part of this activity is easily traced to the great confidence of the people in the Government at Washington—a government of common sense and fair dealing. If our Congress follows Mr. Mellon's ideas as to a new tax bill, I can see a clear track ahead for 1926."

Carl R. Gray, president of the Union Pacific, has this to say from his watch tower in Omaha:

"I do not look for any boom, but for a steady business at a good level. Of course,

the next harvest will largely determine, in the West at least, the conditions beyond that time."

Mr. Gray then went a little more into detail as to his reasons for that belief:

"We have a rather unusual condition in the West. There is about 50 per cent of a normal wheat crop in Kansas and Nebraska, and less than this in the northeastern district of Colorado. Kansas is somewhat short on corn, but Nebraska has better than an average crop.

"The four northwestern states of Utah, Idaho, Washington and Oregon, which last year had a half-crop, now have a full average crop, considering everything. California fruits and vegetables have come back in good shape.

"It must be remembered that Kansas and Nebraska both had good crops the year before, and the reflection of that condition is still there.

"I believe we are going to have a good average business until next harvest, and better throughout the winter and spring months than last year. This is based on the better agricultural conditions. The farmer is liquidating his debts and banking some money. The banks are in better shape generally than they have been since the war. Lumber is active, and mining particularly so. There are good building programs everywhere."

Having heard from a Chicago merchant and a western railroad man, let's hear from a Pittsburgh manufacturer, this time A. L. Humphrey, president of the Westinghouse Air Brake Company. Mr. Humphrey thinks we're on the edge of a real contribution to our economic life, and that that is one reason for hopefulness. Here are his views:

"I am very hopeful as to the immediate future and feel that all the elements point to 1926 as a business record-breaker, and that we are facing a development over the next few years even more astounding than the progress of the past.

"Without ignoring the danger and difficulty of many unsolved problems, two conditions particularly reassure at this time, and both make strongly for stability in our economic life: first, a Government at Washington standing patiently and clearly for sound and orderly progress in the interests of the whole nation; and, second, the most extraordinary distribution of wealth and property among the rank and file of our people which history has recorded.

"I believe we are close to the possibility of realizing one more major contribution to the stability of our economic life. I refer to periods of unemployment, more especially in the manufacturing industries, and the larger degree of control that now seems attainable. Few factors in life are more destructive to the morale of the industrial worker and his family than short-time or complete unemployment alternated with high-pressure-overtime, nerve-racking-prosperity intervals, with attendant high cost and relative inefficiency of production.

"I believe we are shortly to see a wiser and more intelligent control of this vital matter developed through the coordination and more

uniform distribution of purchasing power by those major units in our economic system; viz., railroads, building construction and public utilities, perhaps listed in the order of their importance, supplemented by a strategic placement of national and state government public works, contracts for buildings, roads, bridges, etc."

"Overproduction," "feverish speculation," are phrases that come to the mind of A. R. Erskine, president of Studebaker, when he looks over industry as a whole, and the automobile industry in particular. And he is not alarmed by the extension of credit through instalment-plan buying. Says this automobile maker:

"Business at present is being conducted in big volume with great activity, big pay-rolls and handsome profit. Industries north of the

Ohio River have been especially active all summer, chiefly because of the prosperity of the great automotive industry located in this region. Building activity is widespread throughout the country, and railroads are hauling record traffic. There will be a natural curtailment in automobile production within thirty days, which will last until after Christmas. This is a normal winter condition.

"Savings-bank deposits are constantly increasing, and so is life insurance. The service of credit to consumers made available by finance companies has undoubtedly stimulated production and consumption these past few years. Consumers with the assets of good character and earning ability now enjoy credit along with producers and distributors who have always had it in the past.

"This credit, with high wages, has enormously increased mass consumption and has had a great deal to do with sustaining mass production. It is, in my opinion, thoroughly sound and proper business. Above all, it raises the standard of living and increases the responsibility, and therefore the efficiency and output of the workmen of industry.

"The United States has the greatest aggregation of industrial plants concentrated upon mass production and paying the highest wages the world has ever known. Its cost of output per man employed is probably by far the lowest ever achieved; and consequently, our export business is continuously growing in all countries. Even in England, Germany, France and Italy, American goods abound in the markets.

"There is no basic reason why our present volume of business should not continue indefinitely if we avoid overproduction. The possibility of cotton, corn and wheat prices working too low might curtail buying power of farmers—or the collapse of the feverish speculation in the stock market might wreck confidence in values, and thus disturb business."

Let us leap west again and get an opinion from Tacoma and one from San Francisco. The former comes from E. G. Griggs, president of the St. Paul and Tacoma Lumber Company, the latter from W. P. Fuller, Jr., of W. P. Fuller and Company, manufacturers of paints. Mr. Griggs doesn't like the lumber situation, explaining his reasons thus:

"If Labor as it exists operate with enter into sion of tre cannot, an nothing, a

"Conditions on the Coast do not warrant an optimistic outlook, although the lumber markets have been absorbing the full production of the mills, but prices have ruled so low that very little return has been made on the investment. In fact, mills on the Coast for the year 1925 will generally show a loss in their operation."

Lumber, Tacoma

"The future does not reflect any advance in price, and unless this is brought about, conditions will mean the closing down of some of our operations. We cannot continue to furnish lumber at cost or less than cost and predict prosperity."

"We have just completed an adjustment on log freight rates, which means a very considerable advance on our cost without any corresponding advance on the price of our logs. On the whole, the outlook is not very promising."

Mr. Fuller is brief and content: "With a Federal Government not unfavorable to the nation's business interests, with satisfactory money conditions, with generally good crops, and with no large-scale disturbance visible on the world's horizon, we look forward during the next months to a continuance of the prosperity which we have been enjoying."

Paints, San Francisco

Our public utilities are quick to gauge changes in business sentiment; and when a company is composed of a number of subsidiaries in various parts of the country, its forecast gets an extra value. Philip H. Gadsden, of the United Gas Improvement Company, draws from a dozen states to give us this:

"Our reports are uniformly encouraging. There is nothing in our business to indicate any falling off in business for the coming year."

Samuel C. Dobbs, banker of Georgia, sees but on reason for worry. He writes:

"I am confidently of the opinion that we are in a period of good business; just for how long a period I would not venture to guess. Practically all of the inflated conditions of the post-war period have been liquidated, and the delirium of overproduction and overfinancing is well over, and the depressed conditions that existed after the hectic war times have pretty generally been relieved."

The only thing that I see in the way of continued prosperity is that Labor has consistently refused to recognize the necessity of legitimate wage reductions in line with the gradual recession of profits in merchandising and manufacturing, from the high peak of war-time activities. This condition is reflected in the financial statements of those engaged in every form of industry, manufacturing, merchandising and financing, showing that, while the volume for the past twelve months has been in excess of anticipations, the net has been, in many instances, discouragingly small.

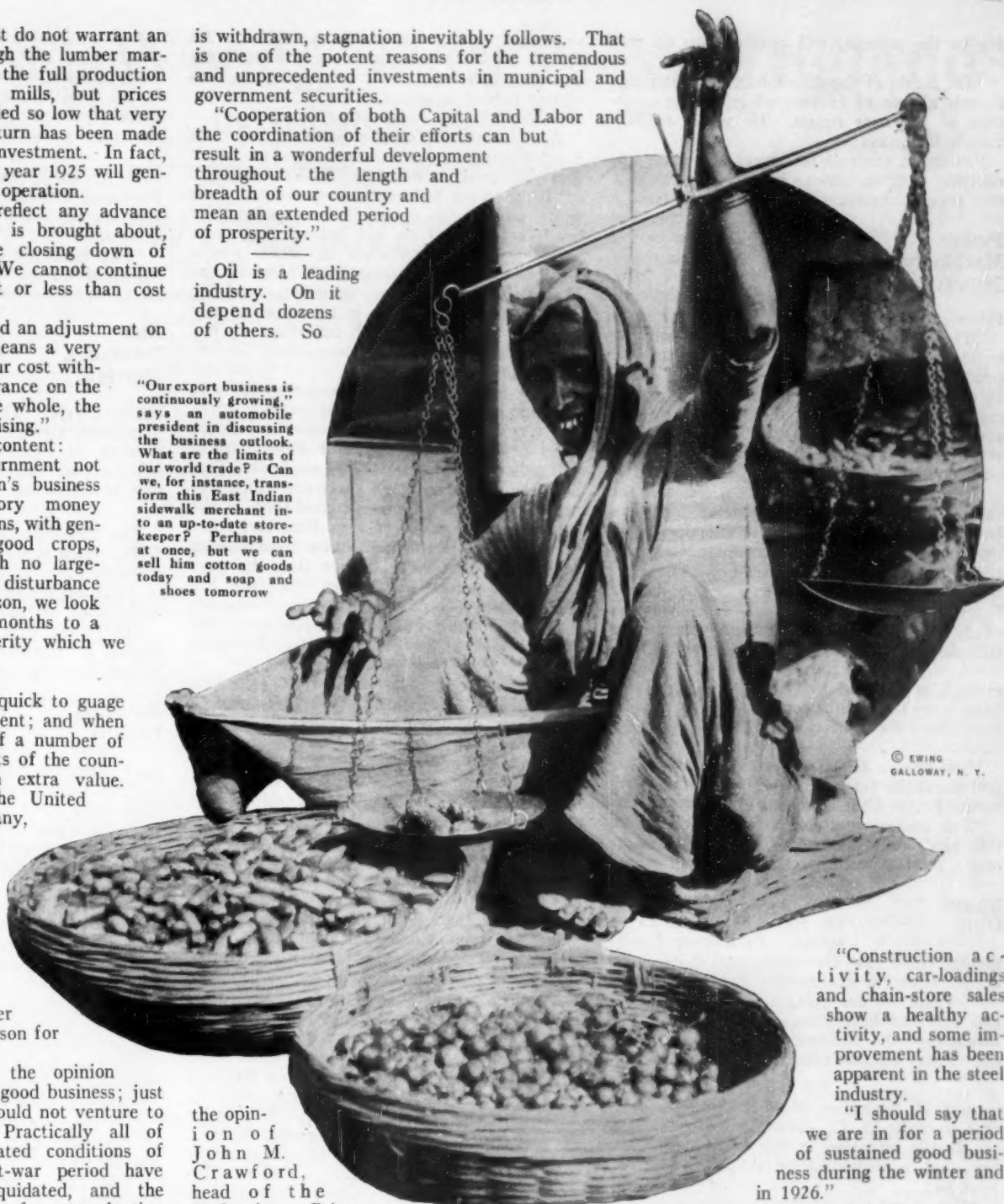
"If Labor can be made to see the situation as it exists and show its willingness to cooperate with management, this country should enter into a period of prosperity and expansion of tremendous proportions. For Capital cannot, and will not, be expected to work for nothing, and whenever and wherever Capital

is withdrawn, stagnation inevitably follows. That is one of the potent reasons for the tremendous and unprecedented investments in municipal and government securities."

"Cooperation of both Capital and Labor and the coordination of their efforts can but result in a wonderful development throughout the length and breadth of our country and mean an extended period of prosperity."

Oil is a leading industry. On it depend dozens of others. So

"Our export business is continuously growing," says an automobile president in discussing the business outlook. What are the limits of our world trade? Can we, for instance, transform this East Indian sidewalk merchant into an up-to-date storekeeper? Perhaps not at once, but we can sell him cotton goods today and soap and shoes tomorrow



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"Construction activity, car-loadings and chain-store sales show a healthy activity, and some improvement has been apparent in the steel industry."

"I should say that we are in for a period of sustained good business during the winter and in 1926."

the opinion of John M. Crawford, head of the Parkersburg Rig and Reel Company, is of interest, for his company makes oil machinery:

"In my part of the country general business conditions are good, and prospects are bright for the winter and for 1926. The manufacturing zone in which I am located produces necessities, and there is little or no unemployment in these industries. Outside of the coal-mining industry there is an inconsequent foreign element and no labor unrest. The availability of oil and natural gas for industrial and domestic fuel makes negligible here the problems which may elsewhere exist in this exception to normal activity."

Oil-Well Machinery, West Va.

"In my line of work the present is fairly good. Prospects for the winter are not so glaringly bright, but the signs for 1926 lead me to expect a satisfactory resumption of activity in the oil-producing industry. This will insure an equitable return from the business in which I am principally interested."

In our last period of depression the Northwest was perhaps the worst sufferer, and out of it came a crop of "patent-medicine" legislation. Now the Northwest is happier, and William J. Dean, dealer in iron, steel and heavy hardware, in St. Paul, says:

"The situation today in the Northwest is better than at any time in the last four years, following a period of depression of about three years, brought about by an agricultural condition which was not rectified until the fall of 1924, when the farmer's dollar was again on a parity with the dollar of the manufacturer and other producers. In addition, the bountiful crops of that year went a long way toward putting the farmer on his feet again. This year's money crops, although a falling-off in production exists in some lines, will yield about as much as 1924. However, the agricultural industry has by no means recovered the position it held prior to the war, and only a succession of good crops, with prices correspond-

Hardware, St. Paul

ing to the present, will enable it to do so."

Max Babb, of the Allis-Chalmers Company, sounds a note of caution while feeling confident of the near future. He writes to NATION'S BUSINESS:

"From an analysis of figures and facts underlying basic conditions it would appear that the present business situation is essentially sound and that we may reasonably anticipate a period of sustained good business during 1925 and 1926. Many factors contribute to this view.

"The improvement in the agricultural situation with the rise in prices of agricultural products has a particularly stimulating effect. In the power-machinery business the development and expansion of public utilities by reason of the increased demand for service has resulted in a continued active market for such classes of machinery. The enlarged and active program throughout the country for the building and improvement of highways has created a good demand for machinery and materials involved in such construction which shows no sign of early abatement.

"On the other hand, there is the danger from overexpansion, and an excessive tendency for increasing indebtedness, which while stimulating business for the time being, may eventually produce unfavorable results. However, it is believed that the present business basis is on sufficiently conservative lines to be maintained for some time to come."

How does a Cincinnati shoe manufacturer feel about the future? Here's what J. P. Orr, of the Potter Shoe Company, has to say:

"The business outlook is fairly good. Certain kinds of business are unusually prosperous, a good many others fairly so, still others not doing well. It isn't a time to be blindly optimistic, nor is it a time to be scared. Underlying fundamental conditions are sound, and there is no danger from the financial structure.

"I think we are going to do well through this fall and into 1926. What will stop us ultimately will be overproduction. We produce faster than we consume in America."

John W. Arrington, of the Union Bleachery, at Greenville, S. C., doesn't find anything in the textile situation in the South to startle him, but is disturbed by the stock market. Says he:

"You asked my opinion as to business conditions, and the outlook not for the country as a whole but in my part of the country.

There has been a distinct up-turn in textile conditions, due no doubt to a considerable extent to the enforced curtailment in the South, principally in the Carolinas, on account of extreme drought affecting the water powers.

"With the prospect of a large cotton crop, plentiful and therefore comparatively cheap money, I see nothing ahead for the South but good business. The only cloud I see on the horizon is the persistent bull stock market. That has got to have a top sooner or later. When it subsides or collapses, as the case may be, I expect some let-up in business as a whole, but feeling about that as I do the Florida boom, such a set-back would be temporary."

From William Pfaff, president of the New Orleans Association of Commerce, comes this statement:

"New Orleans' 1,200 industries, from all I

can learn, are in prosperous condition. All I have come in touch with lately were either enlarging their equipment or running a month or two behind in orders."

A. T. Simonds, of the Simonds Saw and Steel Company, sees more things to worry him than most of our other business friends:

"I like to see bad times every three or four years, to keep the optimists from losing their heads entirely. I do not believe that mere optimism is what makes business good. One of the most significant red-flag signals is the insanity now going on in Florida, which unfortunately has spread to almost every community in the United States.

"The second sign that business will not continue good very long is that security prices are very high, and any increase in interest rates or drop in the Federal Reserve ratio will give these prices a severe set-back. Perhaps the most important condition which will probably change the present good times is the step-up process in the Dawes Plan and other payments due the United States from foreign nations. I personally believe that the payments due under the Dawes Plan are impossible and even though the payments are modified by new plans, any such thing will cause a lack of confidence in the European situation.

"I also believe that some time or other, we are likely to run into a period of three to five years of bad times, just as happened after the Civil War in 1872, and again after the Napoleonic Wars. The thing which will bring this about more than anything else will be the increasing value of the dollar and purchasing power of goods against the outstanding obligations of many industries, states and nations in fixed payments of gold dollars at their present purchasing power."

From another point in New England, a maker of large machine tools is hopeful. S. H. Bullard, vice-president of the Bullard Machine Tool Company, writes:

"With a product of national and world-wide utility, our inquiry and sales activities will be dependent upon and reflect national and world-wide conditions; and, naturally, our opinions and conclusions will be based upon such premise rather than on purely local conditions. Our product is distinctly an 'investment' or 'producer' element, and any 'inquiry-demand' therefor would be indicative of real activity and progress in either the replacement of or expansion in productive facilities and operations. Because of this activity in our field we feel confident that there is before us an extended period of good business—business that will, as far as our experience will guide us, be sustained until the middle of 1926, if not a healthy and gradual improvement to and beyond that time."

Machine Tools, Connecticut

Alex C. Brown, of the Brown Hoisting Machinery Company, told us this:

"In my opinion there will be an improvement during this winter in volume, which will give an impression of rather better business than is actually maintained. This somewhat false improvement, I believe, will be due to the fact that in spite of the increased volume, prices will probably not be any too satisfactory.

"It is my belief that, when buying habits are developed which carry way beyond the

question of good business economy into the practice of unreasonably, and at times unfairly, taking advantage of the buyer's market, a situation is created as unfavorable to sound business prosperity as the situation that results from inflated prices."

H. A. Smith, president of the National Fire Insurance Company, writes from Hartford to give the following summary of fire insurance prospects:

"Fire insurance conditions as a whole have improved during the past few months and are encouraging for the remainder of the year.

The first six months of any year is usually unprofitable and the last half of 1926 is so far away it would be idle to make prophecies regarding next year. There is a healthy growth in premiums, though moderate; agents are improving in the collection and payment of balances; and the number of suspicious-looking fires is decreasing."

Fire Insurance, Hartford

The mid-west banker lives pretty close to folks, which is why this running summary of business views is wound up with the opinion of Felix McWhirter, president of the Peoples State Bank of Indianapolis:

"Of course, it is difficult to arrive at a prediction of 'sustained good business.' Also, it is easy to work our bump of apprehension to find a view that perhaps we are 'sailing blindly along a sea of unjustified optimism.' But when you limit your question more specifically and directly to 'this winter and in 1926,' I do find that I have some rather definite thoughts as to this immediate part of our future.

"We will enjoy this coming period as one of good business, my chief and general reason being:

"(a) The incentive to possess will cause increased production per person. The desired possessions may be classified in three general groups, taking in the same number of general strata—

"1. Household furniture, appliances and commodities;

"2. Real estate, lots and modern homes;

"3. Investment real estate, farms, speculative real estate and business proprietorships.

Constant with the above, of course, is the desire to possess the almost universal means of transportation—the automobile—a better and better one.

"(b) The increased purchasing power made available by the marketing of unusual crops and huge outputs in the food line, enabling 'repair' to progress, such as fences, silos, implements for the farmer. Then, too, the releasing of money to loan in other channels as the farmer pays down or off what he has owed. Likewise, the replacing of obsolescent and worn-out parts of machinery used in food products.

"(c) Railroad-equipment purchasing.

"(d) Public improvements.

"(e) The continuity of individual enterprise and the reclaiming to effort of those who have experienced satisfaction through accomplishment. Accomplished objectives rising out of the minds of American genius have been more and more free from restraints giving play to the full strength of power in their chosen field.

"Many of these men are continuing their effort from sheer habit and joy of work, and many from the knowledge that it takes two-thirds of a dollar added to a dollar purchase for them the scale of life they want when compared with the dollar of the early part of their career."

Anything Wrong with New England?

By HENRY SCHOTT

AN AGED owner of a motor livery was driving me about a Massachusetts mill town.

"By and large conditions aren't at all satisfactory in this end of the country," he told me. "While the mills are running, they're not on full time and neither the owner nor hands are making what they should. Take it after the war and everybody in the family was getting ten dollars a day, mills running nights. No, business isn't what it ought to be."

"What did they do with all their money? Silk shirts and automobiles?"

"You're right—most of it squandered."

We drove along and I noticed a fine new hotel—good enough for any city. The main street had evidently been almost wholly rebuilt—modern, attractive commercial structures. Banks, too; temple architecture, columns, carvings and all.

On the outskirts of the town acres and acres of new homes, usually two-story, each with its own lawn and garden, front porch, stone steps, five to seven or eight thousand dollars, all bright and new.

Workers Put Up New Homes

"**H**OW DO all these new houses happen to be here?" I asked, fearing the answer; I thought of some misguided building company sinking a million or so.

"They've been built in the last year or two mostly by mill workers. Great lot of new homes been put up. Seems almost everybody built or improved. You'd hardly know the town."

"Where'd the money come from if business is just lingering along and they spent their war savings on silk shirts and automobiles?"

"Well, now, it turns out that they didn't do so much squandering after all, when you come right down to facts," said the owner-driver. "There was a whole lot of talk about wasting their money, but it turns out most everybody was planting it away and saying nothing about it. When things settled down they took that money and built homes. I guess it's about the same story in most of the towns."

"Can't complain about that. Seems to me New England is in a fine, sound condition."

"That may be, but things could be a whole lot better."

In Boston I talked

WE SHOWED this article to two leaders of business thought in New England. Said one: "A good article, but, articles of this sort have succeeded in lulling to sleep those who ought to be awake to the real situation."

Said the other:

"I am sorry to say the article presents the situation very much as it is. The greatest trouble with New England is a lack of industrial pride."

What do you think? And by "you" we mean particularly our more than 25,000 subscribers in New England.—The Editor

with several men of affairs. Being on a holiday, I very properly asked, "How's business," or words to that general effect.

"Nothing to boast of—nothing to boast of," was as far as their enthusiasm carried them. "Now take the cotton situation. The mills in the South"—and instead of being told about New England I was instructed in the many advantages Southern states possessed for cotton manufacture.

Or, the shoe industry; had its foundation here but with labor conditions and market changes much of it moved West and while there seemed to be signs of improvement, the situation was one that gave little cause for encouragement. And so on, to hopes for the

best, fears of the worst, or just resigned and accepted gloom.

All of which did not change my opinion that New England was going ahead soundly, with well rounded development—doing well for itself and its people. I had visited town after town and could not escape seeing the public and private improvements. Everything on the surface pointed to prosperity—the people themselves had the appearance. Out West there would have been talk of a boom.

"I have here before me the monthly Review of the Federal Reserve Bank of Boston," I suggested solemnly, as I had heard lawyers offer a halter as evidence in a calf case. "Entirely reliable?"

"Federal Reserve Review? Oh, yes—yes, indeed. Very reliable."

"Their review of New England conditions in the February number of this year shows an increase in wholesale shoe sales for New England against a decrease in the United States as a whole."

The Fine Shoes Are Made Here

"**D**OES IT say that? Well, that's probably due to a growing demand for fine shoes. and, you know, practically all the fine shoes are made here. Our shoe makers are the more skillful. That probably accounts for it."

An admission that gave me encouragement.

"Here's another statement by the Federal Reserve Bank indicating that New England isn't exactly suffering from senile debility. It says that savings deposits have grown 40 per cent in the last five years and that there are six accounts today for every five in 1919. I'd like to read that into the record. Of that gain, the savings departments of national banks and trust companies show an increase of 78 per cent. All notwithstanding the thousands of new homes built."

"That's right. The people are saving more, but they're spending more, too. Can't get around that."

"In the same number I learn:

"Biddeford, 'general business situation is improving. Manufacturing activity in cotton mills practically on full time business. Machine shops still on reduced operating schedules.'"

"For Boston, 'industrial condition continues fair.'"

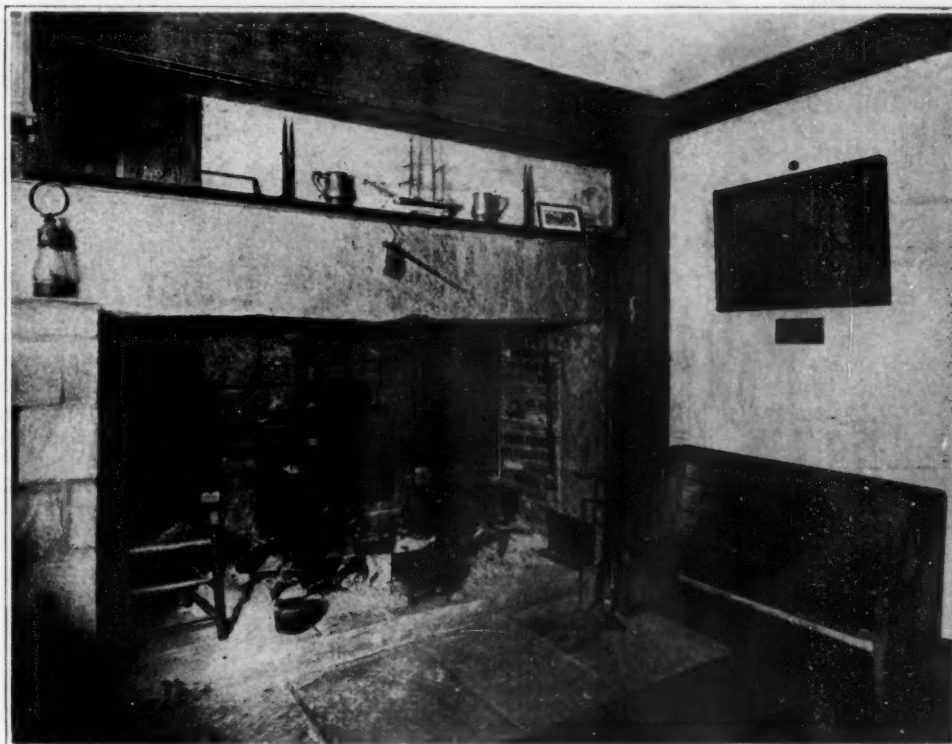


PHOTO BY BRAYTON, BOSTON

The President's Room in the State Street Trust Company, Boston—just such a room as a business man had in the 1600's—very new style or very old style, as you prefer. Woodwork from an old New Hampshire farmhouse; beams from old Massachusetts Hall at Harvard. When New England shows regard for tradition, we like it. It's when regard for tradition becomes indifference to new ways that she comes in for criticism

"Brockton, 'early in February evidence of improving business and increasing shoe factory operations reported. January retail trade less."

"Fall River, 'further slight improvement made in cotton manufacturing."

"Hartford, 'general business and industrial situation continues satisfactory."

"Haverhill, 'shoe industry continues improving."

"Holyoke, 'business expansion at gradual but slow rate."

"Lewiston, 'industrial situation good. Textile mills report relatively high rate of activity."

"Lowell reports no improvement in textiles."

"Lynn, 'gradual but slow improvement in shoe factories. Several plants still on part time."

"Manchester, 'mills employing 55 per cent of normal; gradual increase."

"New Bedford, 'cotton mill operations about normal."

"New Britain, 'general business and industrial condition good."

"New Haven, 'gradual and steady improvement."

"Providence, 'condition continues strong."

"Waterbury, 'copper and brass improving."

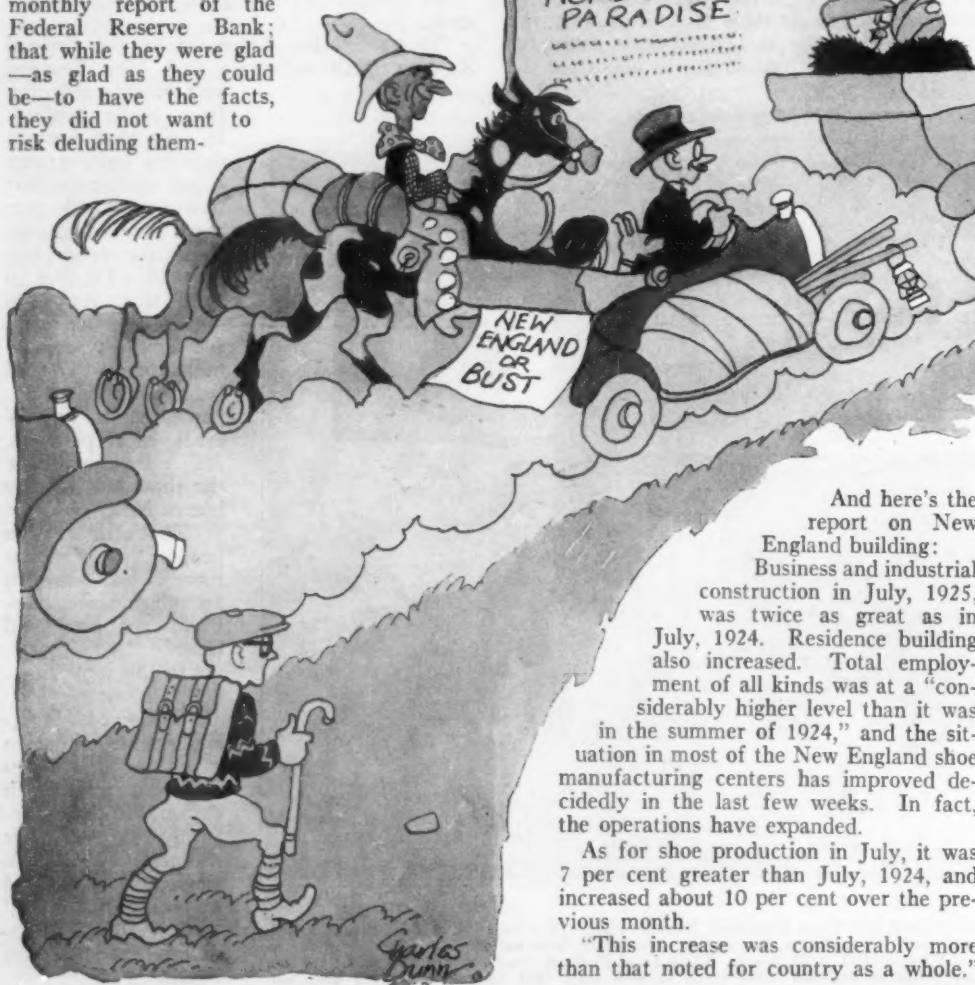
Would Call Condition Good

"THAT about covers New England from Canada to the New York line. Most people would call it a good condition—certainly not bad."

The answer? Yes, there was an answer!

"It could be better!" My cautious friends suggested that I probably had happened to pick up a particularly favorable monthly report of the Federal Reserve Bank; that while they were glad—as glad as they could be—to have the facts, they did not want to risk deluding them-

Cartoon
by Charles
Dunn



And here's the report on New England building: Business and industrial construction in July, 1925, was twice as great as in July, 1924. Residence building also increased. Total employment of all kinds was at a "considerably higher level than it was in the summer of 1924," and the situation in most of the New England shoe manufacturing centers has improved decidedly in the last few weeks. In fact, the operations have expanded.

As for shoe production in July, it was 7 per cent greater than July, 1924, and increased about 10 per cent over the previous month.

"This increase was considerably more than that noted for country as a whole."

selves in regard to the actual business conditions of New England. So we took the latest report of the Boston Federal Reserve, the one for September, and we found that New England was determined to go right on improving whether we liked it or not.

Brockton reported considerable improvement in industrial conditions. Shoe shipments were slightly less than the same month in the previous year, and that most plants were operating full time.

Holyoke industrial and business conditions also showed improvement.

Lowell reported the situation unsatisfactory. Cotton mills and textile mills on part time.

Lynn. Most of the factories reported to be operating at full time, but slightly below capacity.

Manchester. Most factories operating full time. Cigar industry working at capacity. By the way, how many American men know that there is a cigar factory in Manchester? My next cigars come from Manchester.

New Bedford. "Better conditions continue to prevail in cloth mills than in yarn mills."

New Haven indicated a generally satisfactory condition.

Portland. "Somewhat improved. Little unemployment evident."

Providence. Curtailed schedules reported in textile, jewelry and metal trades lines.

Waterbury. Volume above last year and the preceding three years.

Worcester. "Conditions good." Most manufacturing plants on full time.

As for textiles, the bank investigators report:

While there was not outstanding change in the textile manufacturing situation of New England during August, yet the tendency was upwards; a gradual improvement. Consumption of cotton by New England mills increased in July and although the advance was small, the movement was contrary to the downward seasonal tendency.

Increase in Bank Savings

AS FOR savings, the bank's latest bulletin showed that "New England's savings increased rapidly during the first six months of 1925," according to the semi-annual reports of 485 banks to the Federal Reserve Bank of Boston. There was marked increase in gross deposits, which was brought about by large additions in the form of new savings, as well as approximately the usual accumulations of interest paid or credited. The amount added through net new savings was larger than for any six months' period reported during the previous five years, with the exception of the first six months of 1920 and 1923.

The more facts I gathered about the New England situation, the more evidence I see of its sound, steady growth and progress. In spite of the deep-blue comments of the men I happened to meet, the outward evidences of prosperity in the form of new houses, new homes and business buildings, public improve-

ments, and the constantly developing system of good roads made me feel that I was going through an unusually prosperous section of the country.

With similar conditions almost anywhere else in the United States, the town boosters would have met me in the mornings and afternoons with requests for early-evening sessions to expound on the great opportunities offered by city or state. When I was able to dig out what should be thoroughly reliable and authentic information my suspicion that New England was a happy and prosperous section was strengthened, and yet when the suggestion was made to the average man, the response was, to put it mildly, restrained and with reservation.

I was morally certain that the popular impression that New England was going backward was in truth one of our finest examples of a popular fallacy. But it seemed impossible to get anyone to agree with me, or even to encourage me in my belief. It was even difficult for me to arouse any interest in the subject.

On the train passing through Lynn, I

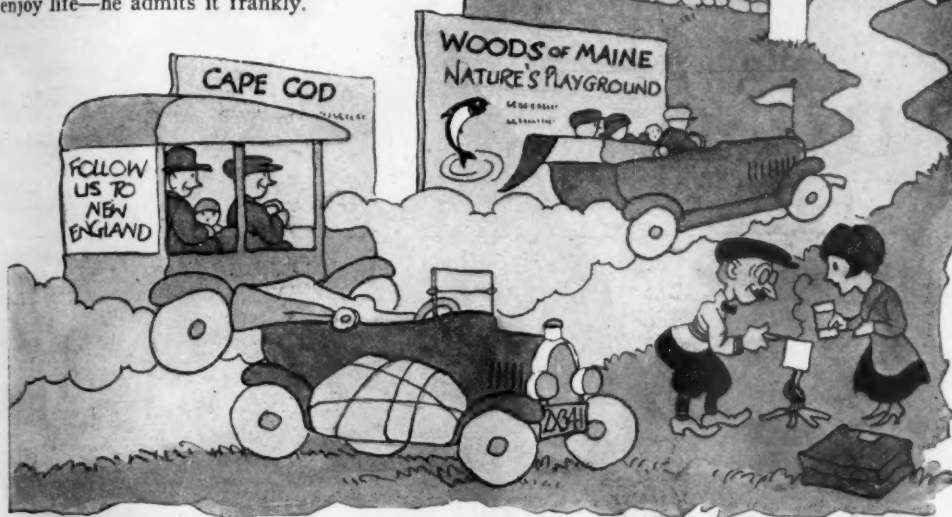
next to a man whose home was in Boston, and whose people had lived there for two centuries. Four months in every year he rode through Lynn twice a day on his way to and from his summer place. We passed a manufacturing plant about a half mile long; I asked him what it was. He looked out and said:

"I am not quite sure, but I think that it manufactures electrical supplies, electrical machinery, or something like that."

As a matter of fact, he was right. It was the plant of the General Electric Company and one of the largest institutions of its kind in the country, with thousands of employes, but it had made only a vague impression on this man who had seen it hundreds of times. It did not interest him.

Why Then the Blue Glasses?

THEN I happened to flounder on a man who earns a part of his income by selling his knowledge of business affairs. He was from the Middle West by way of Harvard and in his old home he would be a member of the executive, membership, ways and means and new building committees of the Boosters' Club. To him New England is the one place for a home, to bring up a family, for business, to enjoy life—he admits it frankly.



If the Floridian or Southern Californian lived in New England

"Why, then," I asked, "Why this apparently universal custom of wearing blue glasses, the constant hints of impending disaster, this unanimous disapproval of anything suggesting better and brighter times?"

"Only a habit," he said. "I mean that. It's a habit, custom, a tradition of old best blood here to discount the favorable and to exaggerate signs of danger. Added to that is the New England objection to anything that might be considered boasting."

"These people are so cautious that some of you from the interior might well mistake it for craftiness or even cunning. The old-time business man up here usually went it alone, rarely taking into his confidence anyone outside of his own family and if he failed he asked no sympathy from any one and if he succeeded that was his own affair. If business was going beautifully for him, he was the last man to advertise the fact. He could see no sense in encouraging competition. To tell others how well you were doing was not the New England idea at all."

"I know of a situation at hand right now where men in the large industries in this district, after many months of negotiation agreed to interchange information about the various

operating costs in their business. Of course, that has been done all over the country in many lines and is almost accepted as a standard practice and has the encouragement of State and Federal Government."

"After all the months of preparation two of the largest and oldest manufacturers in the industry stood out. Their plants had been business rivals for generations and one of them said that if his entering the association required him to give information or to sit in the same room with his rival, he would rather stay out. And there it stands today."

"The fact is that New England is in very good condition. It is developing steadily, and the people are better off than they ever were and they are more contented. The relations between employer and employee are better. Housing conditions have been vastly improved, and I don't know of any place in the country where a man of moderate means can get more out of life for himself and his family."

"One of the most encouraging facts that I have discovered in my investigations is the very large number of small manufacturing institutions that are popping up. At one time it seemed that the beginner and his little factory had passed; that everything would be con-

centrated in the hands of a few big institutions. Following the war, foremen, superintendents and non-owning executives started little plants of their own and they are in general doing well on the way to independence. You will find these little plants hidden in corners and drawing help from neighborhood only if you look for them. In the aggregate they are of the greatest importance to New England's development."

"But there is another reason for the conservatism you find in discussing business. A great institution probably has been in one family for many generations and many branches of that family will have a considerable portion of their income from its dividends. Clearly it is impossible to find active places for all of the heirs and as a consequence some of the beneficiaries have only a dollar-and-cents interest in the institution, even though it may be a close corporation."

"You may be sure that the members of the family who are active in the operation or management are not going to advertise its prosperity in order to give the drones a high estimate of the value of the stock. You know sometimes that stock has to change hands. I don't say that is the general situation, but I know of many instances of it."

"In my opinion outsiders will find the opportunities in New England equal, or better, than those in other parts of the country. With all of the advantages that other states may seemingly possess in labor conditions, climate and raw materials, just bear in mind that New England has unsurpassed land and water transportation, the best skilled labor in the country, and proximity to markets such as the others never can have. I am putting my stake on New England and so far I have been thoroughly satisfied with the returns. They are looking better to me every day."

And I believe the man is right.



On the world's far frontiers, on lonely trails through arctic cold and tropic heat, hardy adventurers are seeking the precious pelts that give substance to the mode of the day. Here is a picture of the U. S. S. *Bear* rescuing a fur-trading vessel lost in an ice-pack off Nome, Alaska. At the right, a trapper removing a marten from a trap in a virgin forest near Mount McKinley.

COURTESY FUR TRADE REVIEW, N. Y.

The Moving Drama of the Fur Trade

By RAYMOND C. WILLOUGHBY

EVER SINCE a typographical error changed the fur of Cinderella's fabled slipper into glass, the fur industry has labored under a curse of names. To the compositor who set up Perrault's translation of the Egyptian folk tale, "vere" was as good as "vaire," and so the original "ermine and squirrel" was turned with a twist of a vowel into a tradition of transparency. Perhaps that early bit of legerdemain put the furriers in a way of thinking about the importance of names in their business.

And so it may be that they developed the long roster of plain and fancy names now current with the sanction that long use implies. That roster presents the complete cast of characters in the world of fur. It has its understudies, and its supernumeraries, as well as its principals—and protean actors dressed to play many parts in many scenes.

Versatility of the Rabbit

TO SCAN the cast is to know the versatility of the rabbit and the hare, for between them they appear in twenty-four separate and distinct parts. And what swashbucklers they are! Is it creditable that an Australian rabbit should be convincing as a lion, a tiger, or a leopard? If doubt be stubborn, confront it with the aliases recorded by the furriers themselves.

With their make-ups on, the rabbit and the hare are billed with these high-sounding stage names:—Australian Seal, Baltic Lion, Baltic Leopard, Baltic Tiger, Baltic White Fox, Beaverette, Black Hare, Bleurette, Castorette, Chinchillette, Coast Seal, Coney, Electric Mole, Electric Beaver, Electric Seal, Ermine, Erminette, French Chinchilla, French Coney, French Leopard, French Seal, French

Sable, Imitation Ermine, and Visonette.

While the world waits for the lion and the lamb to lie down together, the furriers have at least contrived to make the lion lie with the rabbit, and though market records show no wolf in sheepskin, there is some reason to believe that if scratching a Russian revealed a Tartar underneath, a weasel is at the bottom of many a Russian sable. And probably no one knows the number of rabbits changed with a coat of leopard's spots.

But the tricks of this tremendous trade no longer stand as a bar to customer knowledge of what fur and what for. For the furriers have set themselves to the making of a dictionary to eliminate misrepresentation in the advertising and the sale of furs. The first edition of this dictionary, issued by the National Association of the Fur Industry, included 265 names, with



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Furs from

information for the guidance of advertisers. The members of this Association want their customers to know the names under which furs are advertised and sold—they want them to know that "Bisam Mink" is natural muskrat; that "Black Marten" is natural skunk; that "American Broadtail" is broad-tail-processed lamb . . . and so on and on.

In brief, they want the Colonel's Lady to know why she paid thousands for that Golden Fleece when Judy O'Grady got a cheap one so much like it that the world thinks them sisters under their skins.

The naming and the selling of finished furs are, of course, consequential to the getting of the fur from fur-bearing animals—jobs for the trapper and the hunter. On the world's far frontiers, on lonely trails through Arctic cold and tropic heat, on plain and on mountain, hardy adventurers are seeking the precious pelts that give substance to the mode of the day.

World's Greatest Fur Markets

LONDON, Leipzig, New York and St. Louis are the world's greatest clearing houses for raw furs, and of them all, St. Louis is rated the largest. Furs from the frigid and the torrid zones converge upon the great markets in the north temperate zone. From "farthest North" come pelts to Edmonton, Winnipeg, Montreal, and Quebec to match the catches of long ago in the famed Hudson's Bay country. From "Greenland's icy mountains and India's coral strand" furs are sent to London. America's Pacific ports receive skins from China, Japan, Manchuria and Korea.

Down to "the Cape" go sturdy blacks, bearing great bundles of pelts on their heads to be shipped to London. And high up on the roof of the world, camel and donkey caravans are plodding through the Khyber Pass toward Peshawar, laden with furs from Thibet, Turkestan, Baluchistan, and Afghanistan. To Bombay the furs go by train; to London and New York they go by ship. Furs from the Scandinavian countries are

transported to London and to Leipzig. Riga, once an important outlet for Siberian furs, has been almost overshadowed by Moscow under Soviet rule.

But camel caravans from Siberia and Mongolia still cross the Gobi desert to Urga with furs that go by rail to Tientsin or Shanghai, or to Manchuli on the line to Mukden and Harbin. Pack mules and porters shag furs down the western slopes of the Andes, and make on to Valparaiso and Antofagasta on the Pacific. Buenos Aires collects furs for London and New York from the Argentine, Paraguay, and Uruguay.

The supremacy of St. Louis among the world's markets for raw furs was early established by its central location in the Mississippi basin, a region abounding in fur bearing animals. St. Paul, Minneapolis, Chicago, Fort Wayne and New Orleans have always been important in the fur trade of the Mississippi Valley.

You may not recognize muskrat fur displayed as "Bisam Mink," or skunk as "Black Marten." But the furriers want you to know the truth and are making a dictionary to aid you. The picture below shows a quarter million dollars worth of white fox in cold storage in New York

The development of St. Louis' strategic position for the marketing of raw furs was accelerated by its designation as the place for auctioning sealskins taken from the government herds on the Pribilof Islands. Dealers in other furs also enter this auction, and the sales attract buyers from foreign houses. The establishment of adequate dyeing and dressing plants has further strengthened the city's hold on the international trade in raw furs.

At the auction of sealskins last September,



COURTESY
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9,300 skins sold for \$340,000. This sale attracted buyers from firms in Paris, London, Berlin, and cities in the United States. "Logwood brown" sealskins, recently shown in Europe, sold at from \$35 to \$60 each, but "golden chestnuts" were bid in at \$15 to \$40 because darker shades ruled first in Fashion's fancy.

Down at the base of the lofty structure of traders, dressers, dyers, manufacturers and dealers are the trappers—about 500,000 in these States, and most of them farm boys, who annually cut a melon of about \$60,000,000 for their season's catch, which is mainly muskrat, skunk, raccoon, and opossum. In lesser quantities are the pelts of badger, mink, fisher, weasel, wolverine, wolf, wildcat, lynx, ringtail, fox, bear, panther, marten, otter, and beaver. Canadian trappers only fare about a fourth as well, because her great open spaces are

for the most part still open for the trapper's coming. But all the trappers in this country can't get enough fur to cover the backs of all the Americans who want to wear it. Millions on millions of dollars worth of fur is annually imported every year. Of course, some fur is exported—one year's account shows these figures: Value of annual catch, \$60,000,000; imports, \$87,000,000; exports, \$26,000,000—leaving a balance for domestic use of \$121,000,000 worth of furs.

Furs and fur trimmings sold over retail counters in this country in one year are valued at about \$500,000,000. Of the 20,000 concerns in the United States handling furs, New York alone includes about 2,000 wholesale manufacturers who produce about 80 per cent of the manufactured furs and fur trimmings sold at wholesale. Their 8,000 workers in a year turn out goods valued at \$150,000,000. The annual payroll of the 5,500 workers employed in the 160 fur dressing and fur dyeing houses in this country amounts to \$8,400,000. Exclusive of rabbit skins, they dress and dye about 40,000,000 skins a year.

Fashion Capital

NEW YORK is first in facilities for the manufacturing and wholesaling of furs, and buyers from all parts of the United States are customers in her busy marts. For New York is the style capital, the fashion capital of the United States. Buyers go to her shops and salons to inspect and choose furs to be worn on provincial Broadways and Main Streets.

From West 25th Street on the south to West 38th Street on the north, and along 7th Avenue and Broadway, is a center of the metropolitan fur business. New York's supremacy in the manufacture of fur garments and trimmings rests on her extraordinary labor supply, her willingness to speculate on style changes, and her capacity for producing garments in bewildering variety and attractive abundance.

In her gilded show rooms smartly dressed mannequins languidly drape their forms with fur garments priced from a few hundreds to many thousands, and suave sellers point with pride to sway critical customers. So civilization takes the sophisticated fur for warmth and ornament, and an ancient business thrives in a polished setting contrived with the guile of the decorator's art. To that highly conventionalized exchange of money for goods contribute the vast resources of the metropolis of the western world—the American city, sometimes called a foreign city, that preens itself on its peacock ways, that welters in the sweat of drudgery, that throbs with striving to be all things to all men, and that somehow achieves the apogee of beauty from congestion, misery, disorder, and growing pains. And to that exchange contribute many men remote from the outer edges of comfortable cities and settlements, sharp-eyed men who scan the trails and snows of silent places to bring a fur-bearing world to a fur-wearing world.

It is fairly obvious that a fur in the hand is worth perhaps two in the bush, and the con-

clusion that if "nature won't, man will" seems sound enough when related to farming in furs. But there's many a slip between the cup of feed and the clip of a coupon. Despite the facts that there are about 1,200 farmers with an investment estimated at from \$12,000,000 to \$15,000,000 and that enormous profits have been made from pelts and breeding stock, this industry is not yet stabilized and novices are easily deceived.

In one directory of fur farmers are listed breeders of the blue fox, silver black fox,

from \$500 to \$2,500 a pair, extra fine pelts were bringing only \$400—that is, the price of breeding stock was rated above the value of the pelts, but promoters continued to exploit roseate expectations of high profits from the sale of skins.

Dealers in raw furs have justification of their skepticism of an enterprise that would market inferior pelts because the animals themselves could not be sold alive. It is reasonable to conclude that "when the main purpose of raising fur bearing animals in captivity is lost sight of—that is, to produce salable pelts—the business loses its economic basis for existence."

Government Aid

BUT FUR farming has its ethical practitioners, and its promising phases have the support of the Government interest, for the Government maintains its own experimental fur farm in the foothills of the Adirondacks, near Saratoga Springs, and blue fox herds on St. Paul and St. George islands of the Pribilof groups. The operation of the government fur farm will provide information to revise the statement that "the production of fur-bearing animals in this country is a comparatively recent enterprise, and therefore is not supported by the exhaustive experimental and research data that are enjoyed by similar industries," and that there are "no authentic data relating to the increase or decrease of fur-bearing animals in this country."

In behalf of the fur farmer who want their business to be of good repute may be cited the significant movement toward trade-marking and grade-marking their products—a trend indicated by the example of producers of the so-called "Pontiac Strain" of silver foxes.

The work of the Government in the interest of the fur trade does not stop with its efforts to provide information on the housing, feeding, and general

management of fur-bearing animals in captivity. Through the Department of Agriculture, the Government is trying to show the commercial importance of fur, to show the need for maintaining the commercial supply of fur, and to show how the supply may be maintained in quantity and improved in quality, and it is trying to get statistics of the season's catch in the several states.

To get at the reasons for the progressive depletion of the natural supply of fur, it must be understood that the habitat of fur-bearing animals is being continually destroyed by the clearing of forests, by the reclamation of swamps, by the building of railways, by the protection of cultivated lands, and by the growth of cities. These characteristics of modern civilization take little account of the conservation of wild life. A more intensive study of all aspects of the fur industry must be made if trappers, traders, dealers, state legislatures, and game commissions are to proceed to an intelligent solution of the muddled conservation problem.

As the Department of Agriculture points out, "When pelts . . . enter the trade, from hand to hand and undergo a change complete that their identity is practically



COURTESY FUR TRADE REVIEW, N. Y.

These people make a living raising blue foxes on an island off the southern coast of Alaska. Fur farming has had its boom days in America, its promoters and its Wallingfords—it forswore the trap, but it has had its reverses

cross fox, chinchilla, rabbit, mink, muskrat and marten. The raising of fur bearing animals in captivity to increase the supply from animals trapped in the wild has attracted wide attention, but it must be remembered that the "sole purpose is to sell the pelts," and when profits are made from sales for breeding or for pets, the original purpose is not accomplished. It is even charged that "many of the minks, martens, and fishers advertised for sale as ranch-bred animals were trapped in the wild."

Fur farming has had its boom days, its promoters and its Wallingfords—it forswore the trap, but it has had its snares.

Pioneer breeders of the silver fox made fortunes. From their successes was fashioned an amazing fabric of "get-rich-quick" stories—just the sort of yarns the Department of Agriculture is doing its best to deflate. At one time when silver foxes were selling for

it is impossible to distinguish with any degree of certainty between muskrats, minks or foxes originating in the United States and those coming from Canada or other countries."

And the mere fact that 1,144,000 muskrat skins were offered at one auction does not mean that they are all taken in one season—but so belief may be. The right sort of legislation, not more legislation, government officials believe, would be the means to knowing the number of the various pelts taken annually in the several states, and the figures would provide a dependable basis for recommendations for and against the conservation of the different species of fur-bearing animals.

"Unprime" Skins Make Trouble

A GOOD deal of trouble is caused by "unprime" skins—skins taken out of the limited period of the year when they have the highest commercial value—from 45 per cent to 55 per cent of the pelts sent to raw fur markets have been unprofitable because "unprime." One suggested remedy is to obtain more and better furs by shortening the seasons and making them uniform in states with similar climates. Another proposal holds that trappers should be educated to know when skins are "prime" and to take them only when they are "prime."

By way of practicing its own preachments, the Government, through the Bureau of Fisheries, Department of Commerce, in 1910 abolished the leasing system and took control of the seal herds on the Pribilof Islands. Through agreement with Great Britain, Japan and Russia, pelagic sealing—the promiscuous taking of seals at sea—was stopped. Although

the "take" of fur seal skins from the Pribilof herds increased from 2,735 in 1914, to 31,156 in 1922, when the most skins were taken, the herd itself has increased from 268,000 seals in 1913 to more than 700,000 in 1925. Only the young males are killed and the quota of skins to be taken each year is always fixed after providing for a reserve of males, which will permit the herd to increase in numbers as rapidly as it would if no seals whatever were killed.

But the fur trade is really the trustee of the nation's fur resources, and it must provide the assurance that its raw material will be conserved. And it is worth while to know that the industry is alive to its opportunities. In convention at Washington during October, 1924, the American Raw Fur Traders declared "in favor of a real and intelligent conservation of wild life . . . in the United States," and resolved that "We deem it essential and recommend that the laws relating to fur-bearing animals be formulated by the various legislative bodies in pursuance of a uniform policy of conservation, and with as full cooperation as possible between states of a similar climatic or natural condition."

Further confirmation of this awakening of the fur trade is presented in the platform of the National Association of the Fur Industry. Its general director, David C. Mills, has defined its support of the conservation movement with saying "We are in it officially, unreservedly, and without qualification. We are in it to help and be helped." And again, "Such trapping laws as there are have been made without consideration of the economic or scientific problems involved. I make this

general statement with the reservation that, in not over half a dozen of our states it is not strictly true.

"Trapping laws have provided open seasons so long as to admit of the killing of animals when their pelts are worthless, of killing them during breeding seasons when the death of one means the death of several, and of killing them with shot so that their pelts are worthless."

Beset With Freak Legislation

WITH all the worry over increasing the supply, the fur industry has been beset with freak legislation and with "anti-fur" propaganda, and although it has vigorously defended its business through the newspapers, its defense has sometimes been of doubtful value when the charges of its opponents got more space. But nowadays no one need lack for information about the fur business, for the men who are truly representative of it have come out into the open and are ready to "talk shop" with all who care to listen. They know that price juggling and "gypping" won't do; they know that individual standards would be as absurd in their business as they would be in the dry goods business with each merchant making his own yardstick.

The fur business has had a new deal from the organized dealers, and it is a square deal. Their fears for the supply of furs have put their minds and hands to a good purpose. They are making no shibboleth of turning silver foxes into gold. They are taking the guesswork out of furs. Their dictionary is the "Who's Who" of denizens of the world of fur—but far more commendable than that, it is a dependable what's what.

Meeting a Coal Strike Without a Law

LONG AGO Old King Coal got a hard name in New England. The people called him Anthracite, as was the custom. Time was when he was a king in New England. Now he's been dethroned. For many years the good people of the realm have been bedeviled with bad news from the neighboring province of Pennsylvania, where the king's minions held him fast with long-drawn bickerings over division of his bounty. And the loyal subjects in New England have only sighed over the frequent absences of their sovereign, and have paid in passable coin of the realm for the cold comfort of his empty throne—perhaps, just for old times' sake.

But old times give way to new times, and new leaders have appeared among the people with heretical doctrines of independence. These leaders speak a new language, with no awe of the old regime. They are preaching the gospel that self-help is the best help. Every one knows that a strike has shut down production in the anthracite field. Coal strikes are no novelty, of course, but no other hardening of the coal arteries has ever stirred New England to try softening hard coal's heart with hot applications of other fuels.

These applications were sponsored by a committee of the six New England governors in expression of their avowed purpose to provide an adequate supply of fuels for household and industrial use. Members of this committee say that the "anthracite bogey" can be smoked out with a campaign of publicity, and they have begun a vigorous drive through the newspapers.

To turn millions of people from their usual ways of living and doing is a tremendous task—a major operation judged by any standard. And it wasn't done by law. That's the

thing to keep in mind. No one said, "There ought to be a law," and that is convincing attest to the sincere earnestness of the official doctors on the New England case.

If either the miners or the operators are giving heed to the campaign in behalf of substitutes for anthracite, they have made the end of the strike nowhere visible. Of the consequences to the parties in issue, John Hays Hammond, chairman of the Executive Committee of the Governors' Fuel Committee, says:

Enlightened self-interest on the part of both operators and union dictates a speedy resumption of operation, irrespective of their regard for the public welfare, or of their fear of the drastic governmental regulation which would assuredly follow a protracted shortage of anthracite. The operators and the union alike cannot be blind to the fact, although for the moment their vision appears dim, that the consequences of a prolonged strike would be the entire loss of the anthracite market for the coming winter, and what is even more apprehended, a restricted demand for anthracite in the future.

Cure for "Anthracite Habit"

THAT THIS "unenlightened" attitude of miners and operators might contribute to a permanent cure for New England's "anthracite habit" was suggested by Mr. Hammond when he said:

"New England, more than any other section of the Union, has the anthracite habit, but owing to the increasing cost of anthracite, which has persisted during the past decade, as well as the trend toward higher prices in the future, coupled with the unreliability of the supply of anthracite, the people of New England are giving serious consideration to the use of bituminous coal or

some other substitute, not only to meet the present emergency, but to a large extent as their fuel for the future.

This new movement, centered in the activities of the Governors' Fuel Committee, is tantamount to a declaration of economic independence, and to New England it is of first importance, for—

whenever a cotton mill moves South, or a shoe factory moves West, various excuses are offered, among them the high cost of living, and therefore, of doing business in this section. One of the most important items in this higher cost of living is the cost of fuel. By freeing ourselves from dependence on anthracite, through the use of lower cost fuels such as low-volatile bituminous coal, which is available in large quantities, we can do more toward reducing the cost of living in New England than in any other way. And by so reducing the cost of living we can do much for the industrial welfare of New England.

And so an interesting experiment is in progress for all the world to watch. While the operators and the miners air their troubles over anthracite, New England gives eye and ear to the virtues of other fuels. Newspapers, radio stations, and bulletins proclaim the usefulness of substitutes—and the missionary work will not end with the "spring thaw," say the missionaries. The people are gradually learning how to burn soft coal, oil, and coke. The Governors are determined that their people shall be warm, that the industrial wheels shall keep turning, and that the observant world will conclude "Business as usual" in New England.

It is even possible that this significant and timely experiment in self-help may produce a substitute for coal strikes.—R. C. W.

NATION'S BUSINESS

Published by the Chamber of Commerce of the United States

MERLE THORPE, Editor

Washington



December, 1925

Our Industrial System in Two Sentences

THE GIPSY in Asia Minor makes iron nails one at a time with a hammer on an anvil, just as his ancestors did before him for hundreds of years. I have seen him doing it; but I also observed that his small children were stark naked, and that his larger ones had only one garment.—CHARLES W. ELIOT.

Looking Forward

WITH this number NATION'S BUSINESS ends another year, a good year, a year of growing, we feel, in circulation, in advertising and in editorial contents. We might have devoted a part of this issue to a summary of the year in business.

Instead, we are turning our eyes towards 1926, asking what is ahead in legislation and in industry. Willard Kiplinger answers the question, "What will Congress probably do?" while the editors have summed up what a score of business leaders think of the outlook as the New Year gets under way.

What's coming for the magazine? More subscribers? We feel sure of them. More advertising? Undoubtedly.

What the editors want more than subscribers, more than advertising gains, is a still-increasing editorial acceptance. We'd like to feel that in thousands and tens of thousands of business offices every day some man is saying to his neighbor:

"I saw in NATION'S BUSINESS that—."

"Did you read in NATION'S BUSINESS that—?"

That's what we want from whatever Santa Claus it is who brings good things to editors. We've got a lot of it right now, but we want more. Whether we have 200,000 or 500,000 readers, we'd like to feel that every one opened it eagerly, not as a duty, but as welcoming a friend who has something worth while to say.

Underconsumption

MANY of those who put on paper their hopes and fears for business express a dread of "overproduction." Isn't what really worries them "underconsumption?" Work, save, spend—all three make for progress.

What the Trade Commission Found

THE FEDERAL TRADE COMMISSION, investigating the General Electric Company, brings out the fact that that many-branched corporation has stock in many enterprises: in a coliseum, in a hotel, in a navigation company, in a fair and exposition, in an athletic club.

Hair stands on end, and a horrified public gasps—or is expected to gasp.

The trusts have got us body, soul and athletic clubs! The tentacles of the octopus have reached out and grabbed our coal scuttles, our hotels and our coliseums!

But why despair? What happened was that the committee which organized the drive for the athletic club at Chimney Corners called on the branch manager of the General Electric in that hustling town and said, in effect:

"Bill, you're on our list! Your company is interested in

the growth of this town just as much as any of us. But we can't grow without a coliseum, and you're down for \$800."

Result, a corporation becomes a stockholder for the sake of helping a community. But did the published reports of the Trade Commission hearing point that out? They did not. They left for many readers the impression that a ruthless corporation was reaching out to control unsuspecting activities near to our daily life.

The "Gospel of Goods"

LAST MONTH we preached a "gospel of goods," taking for our text this quotation from Sir William Osler:

"To man there has been published a triple gospel—of his soul, of his goods, of his body."

John Hays Hammond, at the business conference at Wellesley, Mass., had some thoughts on the duty and obligation of wealth.

"Why," he asked, "should we inquire how much a man has got? Why measure him by that?"

"Rather, these are the questions to be asked: How did you get it? What are you doing with it? Wealth, even great wealth, honestly acquired and wisely spent is not a menace. If a man gets fairly and spends intelligently and for the general good, what matter if he has one million or a hundred?"

Mr. Hammond's "gospel of goods" is a sound one.

World Business and World Court

THE CHAMBER OF COMMERCE of the United States speaks for American business when it asks that the protocol declaring our adherence to the World Court be adopted by the Senate.

Four times, at successive annual meetings, has the Chamber by resolution declared for the World Court.

Easy to ask why should we on this side of the Atlantic bother our heads with World Courts? The answer is that American business grows increasingly a world business. We have almost annihilated time in our traffic overseas. A cable goes to Europe, and it's a matter of minutes, even seconds, when the answer returns. Within a short time the business man in America will be able to pick up the telephone receiver on his desk in his office and talk to a business man in London. We are fast annihilating space. Six days now takes us to London. Dirigibles soon will take the Chicago business man to Manchester and back within the week.

We need not be less citizens of the United States because we are more and more citizens of the whole world, and what makes for peace and fair play makes for prosperity and comfort.

Sound business reason advocates the adherence of the United States to the International Court of Justice.

Our Exports of Money

EVERY YEAR this country sends some \$800,000,000 to Europe outside of what is used to pay for clothes and cheese and raw silk and the hundred and one other things we buy. Of that very considerable sum, \$500,000,000 pays for services to tourists and the other \$300,000,000 is sent back by immigrants to the old folks at home. Italy alone accounts for one-third of this remittance money.

A big sum. It would almost pay for the cotton we sell abroad. It would more than pay for the wheat or the automobiles.

An interesting figure to compare with that \$800,000,000 we send abroad is the amount Europe would have to send

to us if all the European debts were funded on the British basis. The amount averages about \$450,000,000 to come here each year. Our tourists spend more than enough in travel to and through Europe to equal what Europe would send us to pay off all her debts.

Selling Calm

THE FIRST authentic record of selling wind—rather the lack of it—comes from the Roseburg, Oregon, Chamber of Commerce. At the foot of the letterhead of that organization appears the following:

"Lowest Wind Velocity in the United States, Average 3.2 miles per hour."

The Not Forgotten Horse

LAST WEEK we read in the *Spokesman* that it was no longer possible to buy a buggy on the island of Manhattan, and we did not question it. But the horse is not forgotten.

A letter compliments us on Charles Dunn's drawings to go with the article on the parking problem of retail stores; but, says the writer:

Please tell Mr. Dunn that overhead check reins on horses attached to victorias or broughams were simply never worn. The lady in the picture would have been horrified had her coachman brought that team around to the door with overhead check reins on the horses.

The proper thing for horses with pulled manes are side check reins or no check reins at all, particularly when attached to the above-mentioned vehicles.

The coachmen were shown with cockades in their hats; therefore, the horses should have had rosettes on their bridles.

Mr. Dunn says he expects in 40 or 50 years to be writing to *NATION'S BUSINESS* saying:

Your artist ought not to put spare tires on the front of his automobiles. I remember when I was young, and very few owned airships, that the streets were full of automobiles, and they had the spare tires in back.

Dependence

"THESE UNITED COLONIES are, and of Right ought to be Free and Independent States."

That declaration was made on July 4, 1776, and economically, perhaps, it was truer then than now. How dependent on other quarters of the world were those estimable gentlemen who signed that important document? They did import tea but they showed that they could do without it. The Revolution was a demonstration of economic independence such as we would have difficulty now in making.

Talking recently at Erie, Secretary Hoover discussed foreign control of prices and incidentally set forth our economic dependence.

Rubber, of course, is outstanding. We move in a world that

could not do without rubber, yet we produce none of it. We depend on others for tea and coffee and cocoa, but perhaps we could grow used to abstinence.

We can't well do without manganese. Without it our steel industry would stop. We turn to other lands for practically all our needs of that mineral. We need nickel and asbestos, and Canada supplies wants we cannot meet ourselves. The list might be long drawn out.

Here's a war-time story: Economists were seeking unnecessary exports. It came the turn of tapioca, and that was barred. A world at war could live without pudding.

The order went forth, and promptly there appeared a gentleman who said mildly:

"I only want to suggest that my company makes a glue of very great importance in preparing certain war material. You can't use an animal glue or a fish glue in this work; in fact, the only material we know of that you can use is tapioca; and you really ought to let it in." And they did.

But why worry about our economic independence? We buy from the world, and the world from us, and we're going to see more rather than less world trade.

THE CRITIC



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Another contribution to the "Dare to Be a Babbitt" campaign, which *NATION'S BUSINESS* started. We hope yet to have Sinclair Lewis as president of the Rotary Club in his native town of Sauk Center, Minn., and H. L. Mencken as chairman of his Chamber's City Beautiful Committee.

Industry's Interest in Fertilizer

By CHARLES J. BRAND

Executive Secretary and Treasurer, The National Fertilizer Association

THE FERTILIZER industry is an essential one but there are still a lot of folks who don't think so. It wasn't many years ago that a well-known farm leader was quoted as saying:

"The fertilizer curse must be kept east of the Mississippi River." How any method of soil treatment that produced from 10 to 200 per cent increase in crops from the same unit of land could be a curse is hard to fathom, but right now there are still farmers and "agricultural authorities" who take a position closely akin to this.

When the Farmer Suffers

IT OUGHT to be an axiom that the fertilizer industry suffers with the farmer but not enough men—business men or farmers—recognized this. You cannot have agricultural poverty and fertilizer industry prosperity at the same time.

Beginning in 1920 fertilizer companies that had not missed their dividends for years began to cease paying them. Some of the best and strongest companies went into receiver-ships. Others were liquidated and their facilities acquired by some who had not suffered as severely. Millions of dollars in bad debts remained upon the books, a condition that still prevails to an undersirable extent, although the situation is greatly improved. Not until the past twelve months has there

been a broad, general improvement in the financial outlook of the industry.

Other industries have an intimate relation with the fertilizer industry. Individual farming enterprises, such as live-stock productions, have a close relation frequently overlooked. Between \$10,000,000 and \$15,000,000 a year income of the packing houses of the country comes from materials that are a by-product of animal slaughter and go into fertilizer manufacture. If the packer cannot get a reasonable price for the plant food in his by-products, he cannot afford to pay the live-stock grower as much money for his cattle and hogs.

Take the copper industry. In former years fumes from the copper smelters destroyed crops to such an extent that the copper companies were continually subject to damage suits.

Among the most harmful of the gases escaping from the smelter smokestacks was sulphur dioxide. By continually passing sulphur dioxide through the water it forms sulphuric acid. Sulphuric acid is the great reagent for making phosphorus available for crop production, and phosphorus is one of the plant food elements most generally lacking in soils the world over. Now, some of the most important copper companies collect the gases, produce sulphuric acid and treat phosphate rock for the production of super-phosphates

which are used to manufacture fertilizer.

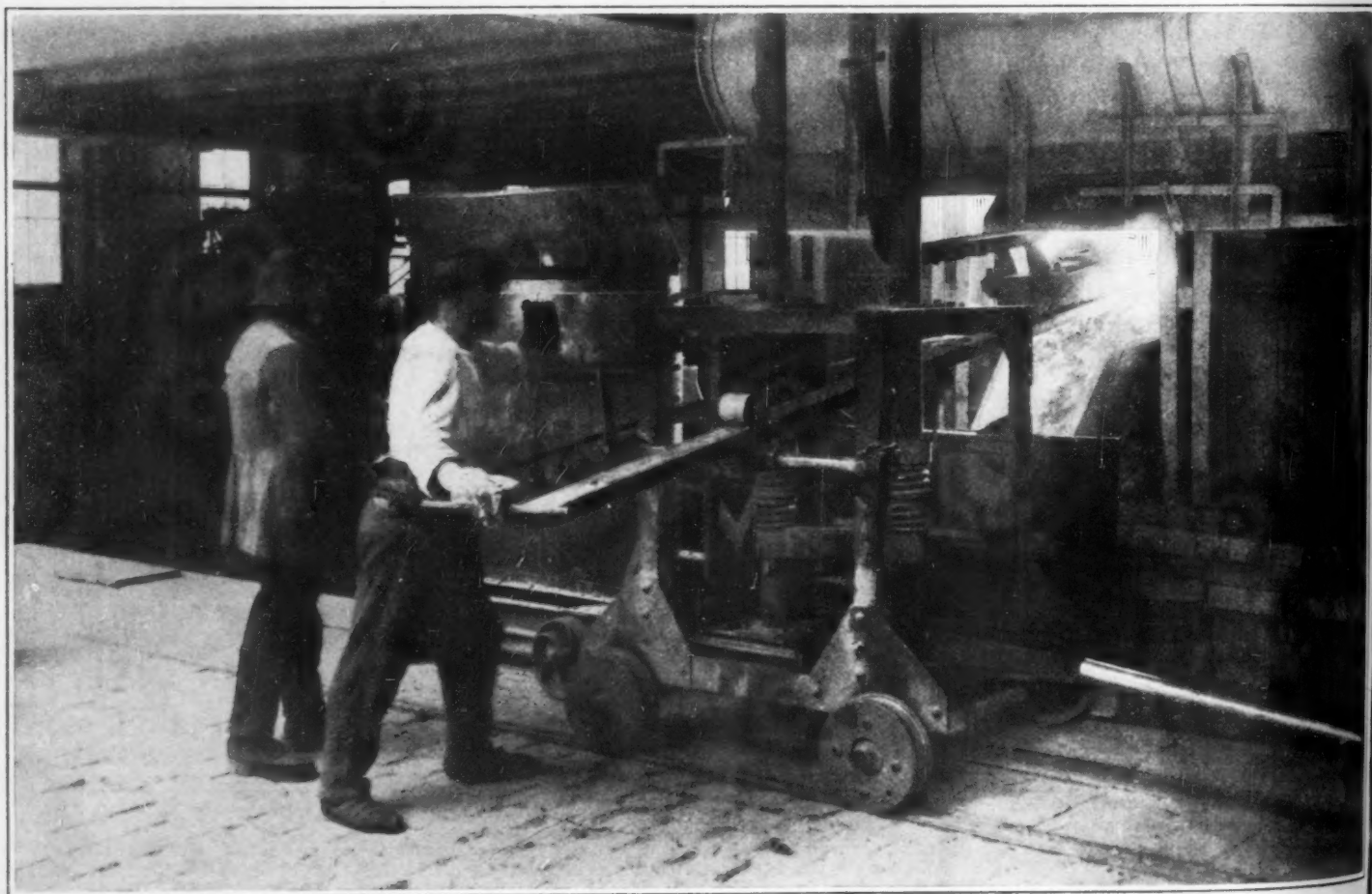
When you see the skeleton steel structure of a great skyscraper going up, it suggests to very few a relation with the fertilizer industry, but the basic slag of the steel industry, particularly in Europe, is one of the important sources of phosphatic material.

Dyestuff Costs Kept Down

COAL mines, coke ovens, and city gas works do not look like near cousins of fertilizer-using farms. Nevertheless, a notable part of the nitrogen used in agriculture is secured from sulphate of ammonia which is a by-product of the destructive distillation of coal, petroleum and some other materials.

The dyestuffs that make the brilliant-colored dresses of today's flapper would cost more if the by-product sulphate of ammonia could not be used for fertilizer.

While the fertilizer industry is a great independent chemical industry, it thrives in many respects on the by-products of other industries. It is sound economics to use these materials. This is a point that it would be well for the proponents of government manufacture of fertilizers at Muscle Shoals to remember. Uneconomic production under government subsidy, direct or indirect, of fertilizers at Muscle Shoals would result in merely shifting the burden of cost to other shoulders by a deliberate production of at least some mate-



© ERING GALLOWAY, N. Y.

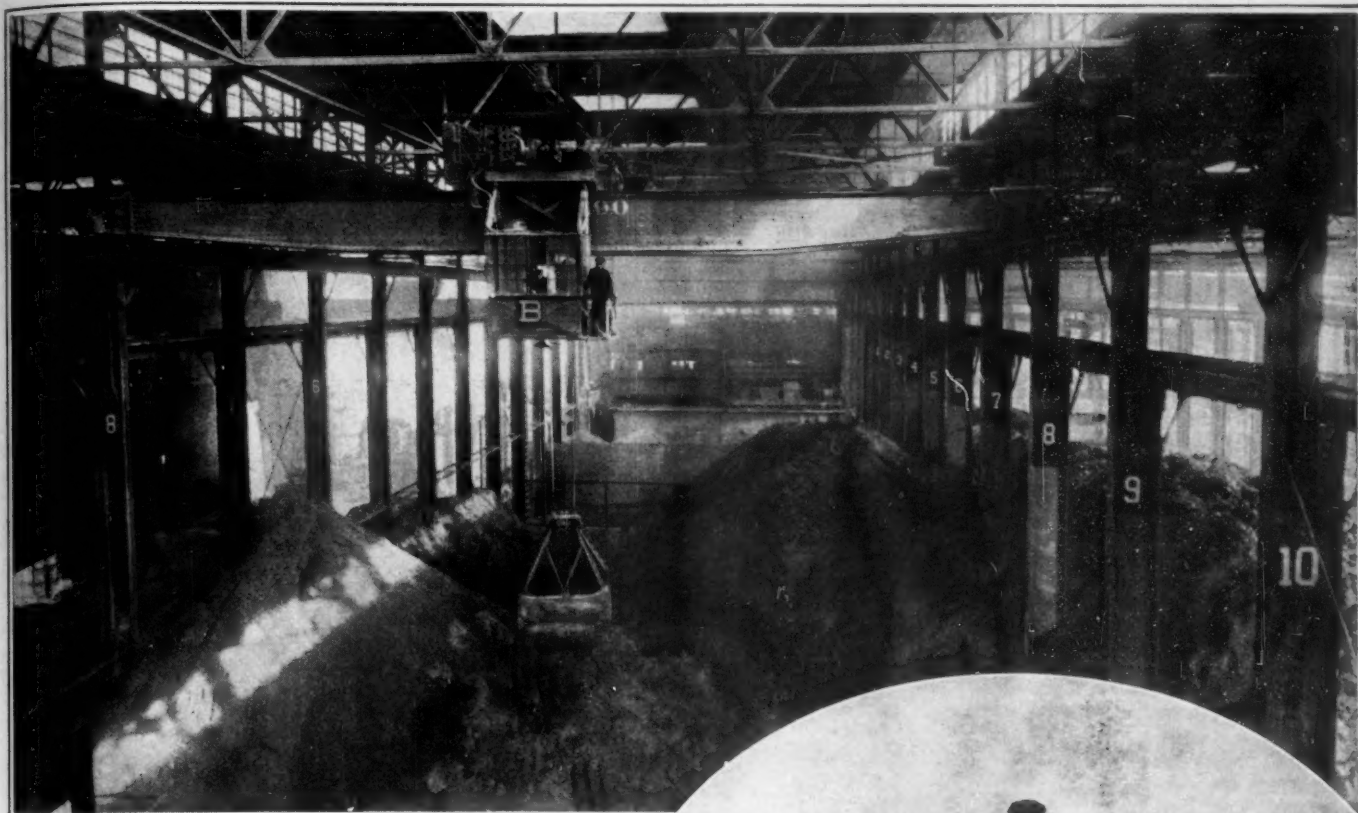
These men are drawing carbide from an oven in a modern fertilizer plant at Bart, Bavaria. Carbide is made here by fusing together hard-coal coke and lime at a high temperature. It is used with nitrogen gas from the air to make fertilizer. In America fertilizer is produced economically from by-products of other industries

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COURTESY DAVISON CHEMICAL COMPANY, BALTIMORE

Interior view of a modern acid phosphate plant, showing overhead crane with four-ton bucket. Nearly 40,000 tons of acid phosphate is stored here ready for shipment. At the right is shown the effect of fertilizer on sugar beets grown in rows side by side on a Michigan farm. It needs no expert to see that the fertilized rows will give the farmer the best results



rials now adequately provided from by-product and other sources.

Even our shoes might cost somewhat more except for the readiness of the fertilizer industry to convert waste leathers into forms of nitrogen valuable for plant food.

The interdependence of transportation and the fertilizer industry is plain. I estimate that raw and finished fertilizer products and the other materials required by the fertilizer industry call for the annual use of between 800,000 and 1,000,000 freight cars. The annual revenue paid into the tills of the carriers by the fertilizer industry in a year, including both rail and water, is probably between \$40,000,000 and \$50,000,000.

A By-product of Sanitation

THE SANITARY angle of fertilizer manufacture is receiving more and more attention. The city of Milwaukee has constructed a wonderful sewage utilization plant in order to stop the pollution of the waters of Lake Michigan. Chicago, Indianapolis and other cities have begun similar projects. By using the more recently discovered facts of colloidal chemistry, sewage waters are being concentrated and the fertilizer elements are being removed.

Many cities still largely destroy their garbage, securing no valuable materials therefrom. Many others, however, are now beginning to find ways of utilizing it, particularly in the manufacture of so-called garbage tankage which is already finding a certain amount of use in fertilizer manufacture, and which, with better perfected methods of production, should become more useful in the future.

Most people know practically nothing about fertilizer except that it smells. The story of its industrial relationship is too little known and too little understood both by legislators

and by the average citizen, and even by the farm consumer of fertilizer himself.

Nitrogen, phosphorus, potash, these form the backbone of the fertilizer business and for two of them we are still dependent upon foreign countries.

Nitrogen in the form of sulphate of ammonia comes from coke ovens and city gas works; in organic form it comes from the slaughtering industry, the shoe industry, and from city garbage plants of various kinds, as well as other sources, but a large part still comes from Chile in the form of nitrate of soda.

Phosphorus is not generally the result of by-product operations. In the case of basic slag it may be. In the copper-smelting industry the sulphuric acid essential to treating phosphate rock is a by-product collected in self defense. Acid phosphate is the basis of most of the chemical fertilizer used. The most important phosphate deposits now being worked are in Florida, Tennessee and South Carolina. There are great and rich deposits in the far west. Our supply, therefore, may fairly be termed inexhaustible.

Potash, which is indispensable on many soils, is largely imported from Germany and Alsace. About 10 per cent is produced at home, a part of it from the treatment of the spent materials of industrial alcohol plants, some from our blast furnaces, and a few thousand tons as a by-product of the cement industry, but the principal source of Ameri-

can potash at present is the briny water of Searles Lake, California.

The United States has more land in crops than any other nation in the world. Only one other, namely, British India, even approximates the same total. The agricultural importance of a country is reasonably well reflected by the area devoted to crops.

Restoring Soil Fertility

IT MIGHT be reasonable to look for a relationship between the amount of plant food used per acre in various countries and the agricultural importance of those countries. Such a direct relationship does not exist.

Our virgin soils—so long believed inexhaustibly virgin—have enabled us almost literally to feed the world for half a century, permitting us to get by without proper attention to the restoration of soil fertility. First in agricultural importance, we rank about sixteenth in our use of fertilizers.

The older sections of the United States and certain specialized crop areas, like the truck sections of Florida and the great potato-producing county of Aroostook, Maine, already approximate or even exceed in pounds per acre the use of nations like Holland, Germany and Belgium; but taking our country as a

whole, it is estimated that we apply an average of about 40 pounds of fertilizer per acre of cultivated land.

The following figures show approximate fertilizer consumption per acre of arable land in 1922 of important foreign countries:

	Nitrogenous (As Sulphate of Ammonia)	Phosphatic (As Super- phosphate)	Potassic (As Kainit)	Total
Great Britain and Ireland ...	19	88	12	119
France	10	110	47	167
Germany	48	103	336	486
Holland	80	497	680	1,257

The population problem in its relation to food production is always before the nations of the world, particularly those where the birth rate is such that excess population means, broadly speaking, a constantly reducing standard of living.

It is a known fact that German agricultural methods, involving particularly the use of the commercial fertilizer, were among the great factors that enabled her to wage war so long against superior numbers and resources. The agricultural performances of Holland and Denmark are constantly brought to our attention.

World Needs Food

GERMANY is borrowing money in the United States to rehabilitate an already efficient agriculture. Mr. Lloyd George is launching an agrarian program of an important economic and political character intended to bring England back as a food-producing nation. With more than one million unemployed, the United Kingdom annually is importing more than a billion dollars' worth of foods.

Without trying to go into too much detail, it is worth noting that the average production of wheat in the United States per acre has been 14.7 bushels, whereas the average production per acre of Germany

Injurious fumes from the smelter of the Anaconda Copper Mining Company formerly caused endless lawsuits between the farmers in the vicinity and the company. This huge smokestack—large enough to envelop the Washington monument—was built, and now the fumes are changed into sulphuric acid, which is used to make fertilizer

over the same period was 32.6 bushels, or more than twice as much.

The United States makes an average of 16.1 bushels of rye per acre, Germany 29 and Belgium 35.

We are the only really great corn-producing nation, and our average yield is about 27 bushels per acre. The great state of Iowa, according to recent investigation, spends an average of three cents per acre on both commercial fertilizer and manure combined for corn. It is not unreasonable to suppose that an expenditure of

as little as \$5 per acre per annum for fertilizer would nearly double the average yield.

Potatoes afford a striking illustration of the comparative results flowing from fertilizer use. The average yield per acre for the United States is about 97 bushels, while Germany's average is about 203 bushels. Within our own country the average yield for a great commercial potato-producing state like Michigan, where a very little fertilizer is used, is less than 100 bushels per acre; while in Aroostook County, Me., where fertilizer has been intelligently developed, the average is 202 bushels, or almost identical with the average of Germany.

Our Hay Crop Ridiculous

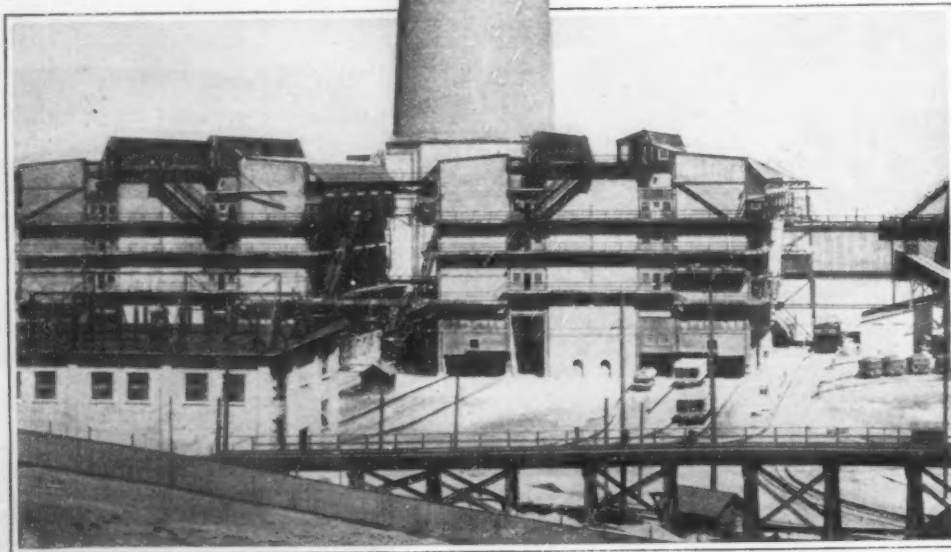
THE HAY crop is one of the greatest crops in the world. American yields are ridiculous compared with Old World yields produced with the use of fertilizer. The same is true of many special crops not particularly important taken alone, but of great importance in the aggregate.

As long ago as 1914 we manufactured over 8,400,000 tons of fertilizer. The set-back of the post-war period reduced this tonnage to less than 6,000,000. The latter point was reached in 1921. For three years we have been gaining back the lost ground, and 1925 probably saw the use of 7,500,000 tons.

Literally hundreds of thousands of farmers have never even seen a bag of commercial fertilizer, to say nothing of using any of it. We spend millions of dollars a year on plant breeding work—and wisely—but we devote only a small fraction of that sum to the investigation of soil treatment as affected by fertilizer use. As a farming nation, we are just beginning on the whole to become fertilizer conscious.

An increase of 5 per cent in the production of any crop due to the breeding of new and more valuable variety would be considered most highly satisfactory. Even a small improvement in some particular quality would result in self-congratulation and commensals from every quarter.

As will appear, demonstrations by the million show that increases in yield, ranging from a few per cent to a few hundred per cent,



COURTESY ANACONDA MINING CO., BUTTE, MONT.



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available from the intelligent use of fertilizer. Not only is this true as to quantity, but is equally true as to quality. As a single illustration, fertilized corn invariably produces a higher per cent of perfect ears and fewer nubbins than unfertilized corn.

More fertilizer is used for cotton than for any other crop grown in the United States. Recently the Department of Agriculture has published some facts of extraordinary importance on the cost of producing cotton. It was found on the basis of the experience of 1,471 farmers that those who grew 60 pounds and under of lint cotton per acre used on an average \$1.73 worth of fertilizer and manure per acre. Those who produced from 100 to 140 pounds used \$3.12 worth of fertilizer and manure per acre. Those who produced from 221 to 260 pounds per acre used \$4.82 worth of fertilizer. Those who produced from 261 to 300 pounds per acre used \$6.75 worth; while those who produced from 421 to 460 pounds of lint cotton per acre spent \$9.40 per acre for fertilizer. With cotton worth from 20 to 30 cents per pound, a child can figure the advantages.

Practically no cotton farmer who can afford to buy fertilizer fails to use it. In the cotton belt the question is not, "Shall we use fertilizer?" but, "How much shall we use?"

What kind shall we use?" The boll weevil is the great outstanding factor in the cotton-growing industry of the world. Fertilizers are one of the efficient agencies for beating this wily enemy by maturing the crop in advance of his depredations.

Admittedly the North Atlantic states, including New York, New Jersey, Pennsylvania and New England, are not typical corn-producing states. On the other hand, the East North Central group, including Ohio, Indiana, Illinois, Michigan and Wisconsin, and the West North Central group, including Iowa, Minnesota, Missouri, Nebraska, Kansas, and North and South Dakota, are largely in what may be termed the true corn belt. Nevertheless, the North Atlantic group, where \$13.86 worth of fertilizer and manure per acre were applied in 1924, produced an average yield of 41 bushels per acre; while the East North Central group produced 34 bushels, and the West North Central 27 bushels, the former using \$4.50 and the latter \$1.83 worth of fertilizers. In making such comparisons other factors, of course, are not to be ignored.

The present National Fertilizer Association is a consolidation, effected in June, 1925, of the old National Fertilizer Association and the Southern Fertilizer Association. The former had existed since 1894, the latter since 1906.

There are three classes of membership: (1) Manufacturers of fertilizers; (2) Producers and/or importers of fertilizer ingredients, and (3) Persons or firms engaged in producing or merchandising materials and supplies or services required by the industry.

Head offices are maintained in Washington and field offices are located at Atlanta, Chicago, Shreveport, Raleigh, and Bellows Falls, Vermont.

Under the control of the Executive Committee, the constructive work of the organization is divided, under departmental committee direction, under the headings of Soil Improvement, Traffic, Cost Accounting, Insurance, Chemical Control and Public Relations. The work of simplification, standardization and elimination of waste is carried on by nine District Committees. All elements of the Association cooperate in this work.

The most important department is that directed by the Soil Improvement Committee. It cooperates with the agricultural experiment stations, agricultural colleges, and extension forces in promoting a more intelligent use of commercial fertilizers. This work, which truly looks to the nation's future, is carried on by a staff of trained agronomists who are familiar with the use of fertilizers and with practical farm problems.

How Business Is Policing Itself

By P. G. AGNEW

Secretary, American Engineering Standards Committee

OUR EVER-INCREASING flood of legislation is becoming a matter of national concern. A president of the American Bar Association is authority for the statement that the Fifty-ninth Congress passed 6,750 laws, and in 1915 the state legislatures enacted 15,033 laws. Furthermore, we are faced with a steady stream of city ordinances and of regulations by federal, state and municipal boards and commissions, which have the force of law.

Must these conditions go on indefinitely, laws being multiplied beyond the possibility of enforcement, and beyond the possibility of public understanding and approval? Or are there other and better methods of solving many of the problems which the present flood of legislation seeks to solve?

The problems which we are now attempting to solve by means of the machinery of legislature, court and commission, are in large part industrial, and they are constantly arising from the increasing complexity of our civilization.

Much more than is generally realized has already been accomplished in developing non-legislative methods of solving such questions. The growth of commercial, industrial and professional associations during the last twenty-five years has furnished the background and the machinery necessary to solve such problems through cooperative channels.

Many examples of cooperative undertakings of the kind might be cited, differing widely in nature and in importance, and in various stages of development. Most of these are based essentially, though with many variations, upon the simple process of the various parties at interest facing each other and the common problem across the council table, developing the facts, and reaching common consent and agreement.

There may be mentioned as examples:

The numerous codes of ethics which have

been adopted by trade and professional associations.

The United States Pharmacopoeia, the national list of drugs with specifications for purity, which is prepared through the systematic cooperation of the medical and pharmaceutical fraternities, but which does not have the force of law. (The pharmacopoeias of other countries do have the force of law, but they do not appear to be any more successful on this account.)

The use of "impartial chairmen" in adjusting and developing relations between employers and employees.

The "Simplifications-in-Industry" movement inaugurated by Herbert Hoover, in which, under the lead of the manufacturers, the various branches of industry concerned with a particular line of products agree upon the elimination of unnecessary sizes and varieties.

To Clarify and Simplify Law

ONE of the most important and ambitious of such movements is in the domain of law itself, the program of the American Law Institute. It is undertaking a work which it is intended, "shall not only analyze the existing condition of the law and set forth the legal problems involved, but shall also set forth with the care and precision of a well drawn statute those principles which will not only tend to clarify and simplify the law but better adapt it to the needs of life."

But I believe this movement toward industrial self-government has gone further and has reached a higher degree of development in industrial standardization than in any other direction. Accordingly, it is instructive to compare the methods that have been developed in standardization work with the methods of the common-law and the statutory-law processes of arriving at national consensuses.

The common-law process is well illustrated by the familiar example of the rates at an old

English inn. A traveler, dissatisfied with the charges demanded by his innkeeper, might have recourse to a court. Through long series of decisions of many cases in many courts, each decision serving as a precedent to be cited in other cases, there had early emerged one of the principles of the common law; namely, that the charges in such cases must be reasonable—and reasonable rates had come to be defined as the rates customary in inns of that class. As a part of this evolutionary process of law-making, a regular machinery had been developed for determining what was customary; namely, the testimony of innkeepers and of travelers as to what rates actually had been charged in specific cases.

As an example of the standardization method of getting a national consensus let us choose a specialized but relatively simple industrial problem, the protection of workmen in the use of grinding-wheels. What are reasonable provisions for safety?

The work of formulating a safety code on the subject was carried out by a joint committee made up of representatives of all interested groups: the manufacturers through their national trade association; state commissions having regulatory authority over safety matters in the industries, or charged with the administration of accident compensation, through their national association; employing groups which are users of grinding-wheels, through their trade association; casualty insurance companies through their two national organizations; the workmen whom the code is designed to protect, the representation being arranged through the United States Department of Labor; national engineering societies; technical bureaus of the Federal Government; and independent specialists.

In all, seventeen national organizations are represented on the joint committee, which has thirty members. After two years of painstaking work, unanimous agreement upon a



Illustration by
Emmett Watson

complete code was reached. This was not accomplished, however, without encountering some serious difficulties and differences of opinion. Through patient and conscientious effort a solution of all these problems was found.

The code covers the general safety requirements to be met in the construction, care and use of grinding-wheels. It is recognized as the authoritative guide to industry and is being legally adopted by the various state commissions.

This is one of some forty industrial safety codes that are being formulated by the same general process and with the same care, through systematic cooperation of all interested groups. After substantial unanimity is reached and registered by action of the joint committee responsible for any particular code, the code is formally certified as the "American Standard Safety Code," for grinding-wheels, or for punch presses, as the case may be, by the central organization which serves as a clearing house or means of systematic cooperation in this national industrial standardization movement—the American Engineering Standards Committee.

Extremely Difficult Matter

THE REACHING of a national consensus on such an industrial problem, through the statutory-law process, is an extremely difficult matter, the more so that legislation on nearly all such subjects comes within the jurisdiction of the legislatures of the forty-eight states. Since few, if any, members of a legislature have adequate knowledge of such a problem, the initiative and the general direction of legislative movements of the kind are in the hands of interested people outside the legislature—in short, in the hands of the lobby.

In state after state the question is fought out before legislative committees by those groups sufficiently interested and alert to participate. In the great majority of cases the real decisions are made by legislative committees whose members, themselves lacking adequate knowledge of the subject, necessarily have to base their decisions upon the presentations of the case by the parties at interest.

In the legislative mill most specialized problems get lost in the game of partisan politics over popular issues. In nearly all cases, the overwhelming majority of people are neces-

sarily ignorant both of the existence of the problem and of the attempted legislative solution. To a large extent the same is true of the legislators themselves. At the end of the average session of a legislature, it would be but a small handful of the members who could recognize half of the subjects of the bills which have been enacted into law.

With such conditions in each state, anything approaching national uniformity becomes extremely difficult, often impossible. The experience of the National Commission for Uniform Legislation, which is an official body, has shown that even in the case of legislation which meets with general favor, at least ten years are required to attain uniformity in the more important commercial states, and twenty years before general adoption.

The legislative method, in short, is not a suitable one for the solution of innumerable specialized and more or less technical problems that arise in the development of industry and business. It does not reflect upon either the ability or the probity of legislators as such, any more than the statement that hammer, chisel and saw are not suitable tools for the making of watches reflects upon either the ability or probity of carpenters as a class.

Invitations to Law Courts

PROVISIONS for safety constitute but a small part of the national industrial standardization movement. A safety code was chosen as an example of the method because of the more direct legal aspects of such codes. The more important phases of the movement have, however, to do with specifications as a basis of purchase, methods of test, nomenclature, and dimensional standardization to secure interchangeability of supplies and to further mass production.

Loose phrases in describing products, such as, "all materials shall be of best commercial quality," and "good workmanship shall be required throughout," which are even yet frequently used in contracts, are but invitations to the law courts. In a wide range of products, such loose phrases are giving place to definite, clear-cut specifications which may be interpreted in the acceptance or rejection of mate-

rial without danger of misunderstanding by any competent engineer or testing laboratory.

This comes about, first, through the use of private specifications by individual firms, then by industrial groups, and last, through nationally recognized specifications agreed upon by all interested groups. For example, more than 95 per cent of the cement produced in this country now conforms to a single specification.

To Eliminate Controversies

GRADES and grading rules are forms of specifications, which enable buyer and seller to speak the same language, thus eliminating disputes and litigation.

Closely allied to specifications are methods of tests, upon which an enormous amount of work has been carried out in this country. These include methods of making acceptance tests for a wide range of apparatus and machinery and of raw and semi-finished materials; such, for example, as ferrous and non-ferrous metals, paints and varnishes, paper, fabrics, tools, electrical machinery, and building materials.

The purpose is to set forth so clearly the technique by which acceptance tests are to be made that any competent inspector can determine readily and definitely whether the material comes up to contract or guarantee or not.

The end is not so much to settle controversies as to eliminate the conditions which give rise to them.

The same type of work is being done on an extensive scale in regard to mechanical dimensions in order to insure the proper fitting of parts and the interchangeability of supplies. For example, no less than thirty-two national technical and trade associations and government departments are represented on a joint committee engaged in the standardization of pipe flanges and fittings, while twenty are represented on a similar committee on the dimensions of bolts, nuts, and rivets.

From time to time suggestions are made in all industrial countries that such technical matters as these be made subject of

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enactment and enforcement. Fortunately such efforts have met with small success, and nearly every one familiar with the subject feels that such questions should be left to industry to work out by some such democratic method as the one which has been outlined.

While the chief advantage to industry in formulating such "codes" for its own guidance is the great economy made possible through mass production and the resulting simplification in the processes of distribution, there are many other advantages. One of these has an important legal aspect. Disputes as to whether material delivered is in

ship under normal conditions of commercial production. The amount thus allowed is technically known as the "tolerance."

National agreement has now been reached through the method which has been outlined on standard sizes of shafting, complete with tolerances. The same thing is being done in the case of a large number of industrial products.

In this way litigation is avoided. The facts are made so plain that there is no occasion for going to law, as disputes do not arise.

Another important line of activity which tends to reduce the work of the courts is in connection with definitions of technical terms used in specifications and contracts and in general industrial transactions. To realize the importance of this, one has but to recall that a large part of the civil cases with which courts deal hinges upon the exact meaning of words and phrases.

As a matter of fact, a large part, perhaps the greater part of standardization, is essentially agreement on definitions. When we agree on specifications for cement we are really agreeing on what we mean by cement, so that we may telegraph, "Send one thousand barrels of cement according to specifications," with the full assurance that there will be no misunderstanding of the requirements.

The same is true of methods of test, of grades and grading rules, and of methods of rating machinery and apparatus. It took a vast amount of technical study and many years of negotiation before a "10 horsepower" had the same meaning when used by competing manufacturers.

Thousands of Undertakings

FOUR TYPES of standardization work have been mentioned. Literally thousands of specific undertakings of these and other types are going forward within various industrial groups. This is largely a development of the present century.

Standardization carried out on a national inter-industry basis is a recent development. Yet such a stage has now been reached in all of the important industrial countries. Of the nineteen national standardizing bodies now in existence, all but one have been organized during or since the war. Each of these serves as a clearing house and provides the machinery for systematic cooperation of all interested groups within its own country.

More than 250 national organizations are

officially cooperating in the work of the American body, the American Engineering Standards Committee. These are primarily technical and trade associations, and departments and bureaus of the Federal Government. In five years of active work seventy national standards have been formally agreed upon and a hundred others are under way. Each project is in the hands of a joint committee made up of representatives of all interested groups. Usually ten to fifteen national organizations are represented on a project, but sometimes there are as many as thirty-five.

In a very real sense each of these joint committees is a miniature industrial legislature, organized upon an industrial rather than upon a political or geographical basis, and engaged in the development of a standard or "code" for the guidance of industry.

Work Financed by Industry

THE WHOLE movement is based upon the principle that purely industrial standards should not be subject to legislative or other legal control, or to governmental pressure of any kind, but that they should be developed and applied through voluntary, systematic cooperation of the industries themselves, though always with the full cooperation of any and all governmental agencies concerned, but on precisely the same basis as that of any other interested group.

The safety code for walkway surfaces furnished an interesting example of how this relationship works out. Before certain fundamental decisions could be made, new engineering data in regard to the nature of walkway surfaces had to be determined. It was agreed that this should be done by an independent fact-finding agency. The work was financed by industry, and the investigations are being carried on in a government laboratory. Much of the data is directly applicable and requires little or no interpretation or exercise of judgment.

In other cases many other matters must necessarily be taken into consideration so that industrial experience and judgment enter very largely into many important decisions. Such decisions are not left to the Government to be developed along with its work of fact-finding, but are worked out by the joint technical committee responsible for the code. That is to say, matters of policy and important decisions of judgment affecting industrial development are handled through the method of the "miniature industrial legislature."



accordance with order or contract lead to a large amount of litigation. To avoid such misunderstandings is not so simple as it might at first appear.

For example, it is not sufficient to say that a shaft shall be 2 inches in diameter. If nothing else but the diameter is specified, a buyer may attempt to reject the material on the ground of inaccuracy, no matter how accurate it may be, since it is impossible to make a shaft exactly 2 inches in diameter on account of unavoidable limitations in workmanship. On the other hand, the seller may attempt to supply material so inaccurate as to be unusable and assert that it is commercially accurate.

The solution consists in agreeing upon just how many thousandths of an inch departure from the ideal size shall be allowed for unavoidable inaccuracies of workman-



Union Labor Far from Radical

By CHESTER M. WRIGHT

ANNUALLY, since the overthrow of the Kerensky Government by Lenine, the issue of Communism has in one form or another forced its way into conventions of the American Federation of Labor. Samuel Gompers speedily made known his hostility to Communism and its works and the conventions willingly followed his lead.

But Samuel Gompers passed away a year ago and, when the hosts of Labor came together this year there were hopes in the Communist ranks that with William Green in the president's chair their propaganda would meet with less stern resistance. They made the mistake of their lives!

At midnight of the second day, within the time limit by a matter of minutes, a delegate representing a Chicago bank clerks' union, introduced two resolutions, one calling for recognition of soviet Russia, the other asking support of what is known as the Anglo-Russian Unity Conference, a movement for "unity" between British labor and the Russian soviet-controlled unions.

A Stinging Rebuke

ON THE third day the convention was addressed by A. A. Purcell, fraternal delegate representing the British trade unions. The convention was prepared to be interested as he began to speak. He not only came with the greetings of a friendly movement, but he is president of the International Federation of Trade Unions, commonly known as the Amsterdam Internationale, because its headquarters are there.

The convention was not prepared, however, for the strange message which Mr. Purcell delivered and it therefore burst forth in dramatic and electric applause when President Green arose and delivered to the visitor such a stinging rebuke as no visitor has ever had in an American Federation of Labor convention.

In less than ten minutes the whole question of where the convention stood, of where William Green stood, of where the American wage earners stood, was settled. Communism, thrown out two years ago in Portland, had come back in most diplomatic manner, hoping for admission in disguise. But all that went for nothing. The convention was literally explosive in its approbation of Green's bitter condemnation.

Later in the convention, when voting time came, the delegates voted as they had applauded. Communism was never quite as dead in American labor ranks as it is today.

A little of the story of this first dramatic slaughter is worth telling.

Purcell read his speech from manuscript. He talked of world relations and then came to Russia: "There I have seen the workers assuming vast responsibilities," he said, "carrying through the organization of workmen."

He spoke of President's Green appeal for the Chinese. "So I want you to approach the question of relations with the workers of Russia."

And then: "I say that you, workers of America, have much to learn from Russia. We must not be afraid of new ideas. . . . I do hope that from now on the organized

workers of America will establish the closest fraternal relations with the organized workers of Russia." He added an appeal for an American labor mission to Russia, in emulation of the British labor example.

Resentment was obvious as the guest professed his advice. It was no less so when he scored American isolation saying, "I tell you the policy of isolation is a mistaken one. . . . The Monroe Doctrine no longer holds good for your government. . . . it can no longer hold good for you."

Here was the electric moment! Would William Green accept the challenge? He would. He did. In that moment he assumed a leadership that he had not until then

of life, until a revolution occurs and this government is overthrown."

President Green carefully and painstakingly told Mr. Purcell not to take home any false hopes.

"We wish that our friend who has so kindly advised us," he said, "and has offered us such frank suggestions might take back to the Russian red internationale this message: that the American labor movement will not affiliate with an organization that preaches that doctrine or stands for that philosophy."

The printed minutes of the convention record in cautious 8-point type the fact that at this point the delegates "arose and vigorously applauded."

They did. Unquestionably they did. They arose and turned loose a surge of emotion in which there was a high-running mixture of roaring approbation and eager acclaim of the ardency of leadership for which men in great movements must ever hope and search.

Red Issue Settled

THE RED issue was settled. But it was given added finish in the later days of the convention when the red resolutions came up for action. One of the resolutions, proposing recognition of the soviet regime, got four or five votes and Russian soviet autocracy got a scorching that ran neck and neck with the pace set by President Green.

The other, in line with the Purcell argument, proposing approval of the so-called Anglo-Russian Unity Conference—which means soviet-British political labor unity under soviet leadership with world trade as an almost too obvious leit-motif—brought forth a reaffirmation of that Monroe Doctrine which Purcell had assailed, with a stinger in its tail. The "Monroe Doctrine of Labor" was added to the original warning.

Labor believes this to be a historic declaration. The vital lines are these:

The American Federation of Labor . . . will not lend its support to any movement to destroy from ambush the freedom of the workers of democratic countries. . . .

The British workers have sent us a message urging our sympathetic consideration of the proposal contained in this resolution. In addition to recording our own hostility to that movement, we return to the British workers and to all workers everywhere the call to stand by liberty, democracy, freedom, the right of peoples to self-rule, the right of national labor movements to determine their own policies and their right to be loyal to the free institutions of their countries.

Furthermore, we convey to the world the most solemn warning of which we are capable that we will not willingly tolerate in the Western Hemisphere any Old World movement which seeks to impose itself upon American peoples over the will of those peoples. What the United States Government, through President Monroe, expressed to Europe as a warning against armed territorial aggression, we convey in equally emphatic terms regarding aggression by propaganda. The Americas stand for democracy. . . .

Neither the Red Internationale of Autocrats in Moscow nor any other Internationale may in complacency ignore this definition of American labor policy.

Whereupon, in customary American fashion

HOW DO you think of the American Federation of Labor? Do you know that:

The Federation wants no alliance with radical or foreign-labor movements?

It has changed its attitude toward "Government by Injunction"?

Its new doctrine of wages includes a recognition of management?

It has asked Secretary Hoover to call a conference of unions, trade associations and farmers?

It is doubting the usefulness of the Clayton and Sherman Acts?—The Editor

achieved. He marched out in front and led his forces—and they cheered him to the echo.

Here are two paragraphs from that speech which sum up the rejoinder to Mr. Purcell and to Moscow:

"I want to be frank and kindly in all I say; but we in America know something about the teachings of Communism and the control the Communist Party exercises over the so-called Russian Internationale. We know that here in America that influence emanating from Moscow is seeking, as it has always sought, not to cooperate with us, but to capture and control us. They are frank in their declarations. They call the officers and the representatives of the American Federation of Labor 'fakers,' 'crooks' and 'scabs.' They declare frankly that they do not believe in collective bargaining. They call collective bargaining 'class collaboration.'

"They do not see in any strike an opportunity to increase wages, to shorten hours, to improve the conditions of employment of the workers; but they see in every strike an opportunity to promote revolution. They assert that revolution is the only way the dictatorship of the proletariat can be established and our Republic overthrown.

"Well, the working people of America are very hard-headed, experienced people. They are not easily led by these strange utterances. They demand something substantial. And the American labor movement cannot satisfy the workers in America by telling them they must wait for the enjoyment of economic rights, for the enjoyment of a high standard

the delegates gave Mr. Purcell a gold watch and bade him good-bye.

Other big issues were settled by this congress of labor. Some have said that new policies were laid down. It probably is nearer the truth to say that established policies were broadened and extended and perhaps in one or two cases more concisely defined.

There were important pronouncements on these major subjects:

1. The injunction, the one example of a real reversal of policy.

2. Wages, with a more concise definition of policy, but without any of the ferocious or revolutionary connotations attributed to it by some observers.

3. Industrial cooperation, with a request to Mr. Hoover to call a four-sided conference to find a clear road for natural industrial development.

4. Social legislation, which was pointedly nailed down as humbly subordinate to trade union activity as such.

5. The independent political labor party idea, which was given a quietus probably destined to last for several years—no more third party experiments, was the convention's decision.

6. Scientific inquiry, or research, regarding which a broad program was laid down, including inquiry into the causes for and workings of "company unions."

Cause of Misunderstanding

MORE or less misunderstanding has found its way about concerning some of the more important actions of the convention, not through any purposeful misrepresentation, but through the impossibility of conveying thorough information about involved propositions in the hurly-burly haste of on-the-spot transmission. This is true of the declaration on wages—a declaration that has been hailed as startlingly and completely new, as revolutionary, as threatening the present order of things and also as being reactionary and so much meaningless jabber.

As a matter of fact, calm review of this important declaration seems to warrant only the statement that it is new only in part, that it cannot alter the practice in any material manner, so far as wage negotiations are concerned, and that the most important thing about it is that it states in a more concise manner than had hitherto been done the underlying view of American labor toward wages and the wages system of factory operation.

The little army of those who like to hail new epochs, who rejoice in getting out the brass bands for great changes of policy and who make haste to spread the welcome mat on the doorstep of new ideas, enlisted for the duration of the fever and did their hailing and welcoming when this declaration about wages came forth.

The subject is well worth careful analysis. It is worth examining, both as to the words contained therein and as to those who wrote and sponsored it.

The vital pronouncement on wages came in the midst of a rather long committee report on the subject. Here is the heart of it:



Matthew Woll, vice-president who carries on the Gompers' ideas



William Green, who said flatly that the American Labor Movement is not bargaining with Russia. Right: John P. Frey, "implacable opponent of the tribes of ists and isms"



We hold that the best interests of wage earners as well as the whole social group are served, by increasing production in quality as well as quantity and by high-wage standards which assure sustained purchasing power to the workers and, therefore, higher national standards for the environment in which they live and the means to enjoy cultural opportunities.

We urge upon management the elimination of waste in production, in order that selling prices may be lower and wages higher. Social inequality, industrial instability and injustice must increase unless the workers' real wages, the purchasing power of their wages, coupled with a continuing reduction in the number of hours making up the working day are advanced in proportion to man's increasing power of production.

This is not the language of the revolutionists. It is not the language of the socialists. It is not the language of the parlor laboratory wherein so many social cures have been formulated for so many social ills. It is straight trade union language.

Purpose of the Wages Declaration

IT IS IMPORTANT to get at least one definition into the record.

To be revolutionary, or to be socialistic, it is necessary to strike in some definite manner at the existing social order. The declaration on wages formulated at Atlantic City accepts the wages system as its own and proposes to maintain within the wages system an equity or balance that will strengthen that system against unreasoned and unreasoning attack. This is not only obvious, but it is the belief of the men who had most to do with the formulation of the wages declaration in the convention.

So much for the underlying thought or purpose. It is equally important to observe the authorship. Matthew Woll, vice-president of the American Federation of Labor, president of the International Photo Engravers' Union, long time co-worker with and trusted confidante of Samuel Gompers, was secretary of the committee which reported the proposition to the convention.

The second paragraph of the quotation from the declaration used in this article was written by John P. Frey, editor of the *Molders' Journal*, one of the outstanding defenders of what is known as straight trade unionism and implacable opponent of everything that savors of the realm of metaphysics, the intelligentsia, the political actionists, socialists or any of the other tribes of ists and their isms.

The portion of that paragraph dealing with decreasing the number of hours worked per day was the contribution of James M. Lynch, president of the International Typographical Union, known as a Stalwart of the Stalwarts, the man who has called his organization a business organization. He was defeated for office in his union by a man who ran as a progressive

and he returned to office by defeating one who ran under a banner called progressive. Finally, the declaration had the warm endorsement of President Green.

So these are the men most responsible for this declaration on wages. What they stand for in trade unionism, and as American citizens, should indicate, even more than the words which they wrote into the record at Atlantic City, what sort of development they hoped to promote through the formula which they laid down. They are not men who run after wild

PHOTOS BY
HENRY MILLER,
WASH., D. C.

ideas. They are not men who permit themselves to express wild ideas. They are men who are noted for a consistent insistence upon soundness, upon maintaining American institutions, upon keeping the labor movement free from "crank," "freak" and "radical" ideas.

The wages declaration does state a conclusion. It does proclaim that the wage earners are entitled to a steadily growing share of the growing output of our national industrial plant. Inventiveness, new power and better management give us a steadily increasing volume of commodity product per man. This declaration merely aims to keep a balance so that labor shall continue to be relatively as well off as now as a minimum and that it shall gain as time passes, to satisfy that typically American and surely healthy urge for an ever-better, fuller and freer life. If there is a really new thought in the declaration, it is in the fact that management is included as a primary factor in increasing productivity per worker, or per machine unit.

But there are many who say, "What matter whether the formulation is new or old, as long as it expresses a sound and constructive American aspiration which we understand?"

The convention did many other things, as has been indicated. In regard to the injunction it abandoned the 25-year-old effort to write its concept of labor's rights affirmatively into the law. It rather clearly admitted that most of the once-imagined gains in the Clayton Law were mythological. It declared this: The courts—except the Supreme Court—are the creatures of Congress. Congress determines, and may change, their jurisdiction. This is constitutional. We will go to Congress and ask a definition of the jurisdiction of equity courts that shall stop abuses of the writ of injunction and leave clear its necessary and beneficent operations. We will do the same in the states regarding state courts.

An Informed Policy Wanted

WHEN the convention ordered an investigation of the subject of "company unions" it recorded something new. The meaning of this is that, instead of an intuitive opposition to such organizations, labor wants an informed policy. It wants to find out why company unions get a foot-hold, what they accomplish, what are their weaknesses and what is their strength. It wants to find out also, let us say, whether such organizations can be converted into true trade unions and if so how.

This is a new method of procedure in relation to these organizations. It is important to know that the same attitude is to govern in regard to the whole field of scientific management. It will interest many in the field of management to know that President Green has promised to address the next meeting of the Taylor Society.

The proposition that labor go into politics on its own was no new proposition and it is worth recording only because the position taken against such venturing was so emphatic, because it was promulgated under a new leadership and because it came on the heels of the adventure with Senator La Follette in the last campaign. These delegates had a high regard for the late senator—many of them had a real love for him—but neither love nor ambition for quick results will lure them away from the traditional non-partisan policy in anything like the near future. On this subject President Green delivered one of his really strong addresses. He pointed to England, with her wage reductions, her unemployment—and her Labor Party.

It was in support of the same basic idea that the convention declared, for the first time in any definite, written form, that ef-

forts to secure social legislation must always be of secondary importance and that the main effort of trade unionists must be to make the unions strong and secure redress of wrongs through purely trade union action. This again was intended to put the "intellectual" in his place, to discourage what T. W. McCullough, printers' delegate, so well described as "bowing down at the shrine of the great god, 'Be It Enacted.'"

Industrial cooperation came before the convention in language which will conceal from many persons the true meaning of the resolution on that subject—Resolution No. 65, for those who may care to unearth it in full.

Hoover Asked for Conference

BUT in the proposal embodied in that resolution, brought in by Matthew Woll, lurks one of the most important developments of the whole convention, and of many conventions. Apparently not much is asked, but in truth a great deal is asked. How much will be realized must remain for the future to show and it will be realized by slow building in the customary evolutionary manner. The immediate goal is a clearing away of legislative restrictions that hamper industrial and commercial cooperation.

Secretary of Commerce Hoover is asked to call a conference of representatives of trade unions, trade associations and farmers. The fact that Matthew Woll, in a resolution, asked that Herbert Hoover call a conference is a fairly sure indication that Herbert Hoover was consulted in advance and that in a certain important direction there is a harmony of view between Woll and Hoover. In the nature of things this harmony must include President Green.

In the first "whereas" of the resolution we read that "Sustained progress in any line of human endeavor is dependent upon records of experience together with research and continuous reexamination of principles and methods." Then we read that "these desirable services find their constructive activities are hampered by legislation, judicial rulings and interpretation which attempt to limit or restrict the helpful cooperation between the essential elements within industry, and without which cooperation there cannot be the necessary avoidance of economic waste and full opportunity for industrial development based upon scientific production plans."

That is perhaps more the language of engineers than of labor, but if that be true it is an indication of the growing trend toward engineering and the engineering frame of mind in the labor movement. The "resolves" call upon Congress "for the modification of existing legislation tending to prevent the co-operation between the essential elements in organizations within industry"—it is important to have all of this section—"endorse the principles of thorough organization of all elements in production and that we support as the basis for directing policies for preventing misuse of industrial organization the principle of uniform and public accounting at stated periods of a type to be prescribed by the Department of Commerce in cooperation with the organizations of employers and employees; and that the Department of Commerce shall render its good services in guiding developments."

For the purpose of considering the question of "elimination of difficulties" such as those indicated, Secretary Hoover is asked to call the farmer-labor-employer conference.

The goal, clear enough when the circumlocution is pierced, is to get rid of laws and regulations that prevent fair, logical and industrially normal activities of trade associations and other inter-industry organizations that

tend toward more economical production and distribution of commodities. In the end the aim is to get rid of the whole mesh of anti-combination and anti-conspiracy laws. Labor's period of admiration for the Sherman Law has passed.

In this resolution, unanimously adopted, it is seen that labor feels sure that American industry is not to be ruled or be made chemically pure by law. It believes that restraint is necessary, but it looks toward the sort of restraint that democracy builds up through self-government, or self-control. Combination in industry cannot be stopped by law, labor is convinced, and it ought not be stopped even if it could be stopped.

The philosophy which gives this resolution its foundation was written into the records of Labor in the Portland, Oregon, convention in 1923. In that convention the executive council laid before the convention a proclamation, or a declaration of purpose, entitled, "Industry's Manifest Duty."

In this notable document it was set forth that industry must learn to rule itself. It was set forth that the present political trend is strongly toward a political overlordship of industry that must, if not checked intelligently, lead to a great bureaucracy and thence on to state socialism. Politics belongs in the realm of political affairs, was the dictum. It does not belong in the factory. It cannot run industry, because it hasn't the knowledge.

There were those who thought, in 1923, that the declaration of policy then made was a pious wish, a vision of a distant day, perhaps, and that it would be forgotten for many years to come in the rush of practical events.

Self-rulership of Industry

BUT this plan for a Hoover-directed conference to begin getting laws out of the road of industry runs its tap root back into that striking declaration for the self-rulership of industry on a basis of democratic practice with what was there called "an industrial franchise comparable to our political franchise."

That labor should take the initiative in shaking off what has at best been an ill-fitting restraining jacket of hastily made law is not strange. Anyway, labor doesn't think it so, for labor holds itself to be vitally interested in helping to bring about the highest possible degree of industrial coordination and the best possible industrial machine.

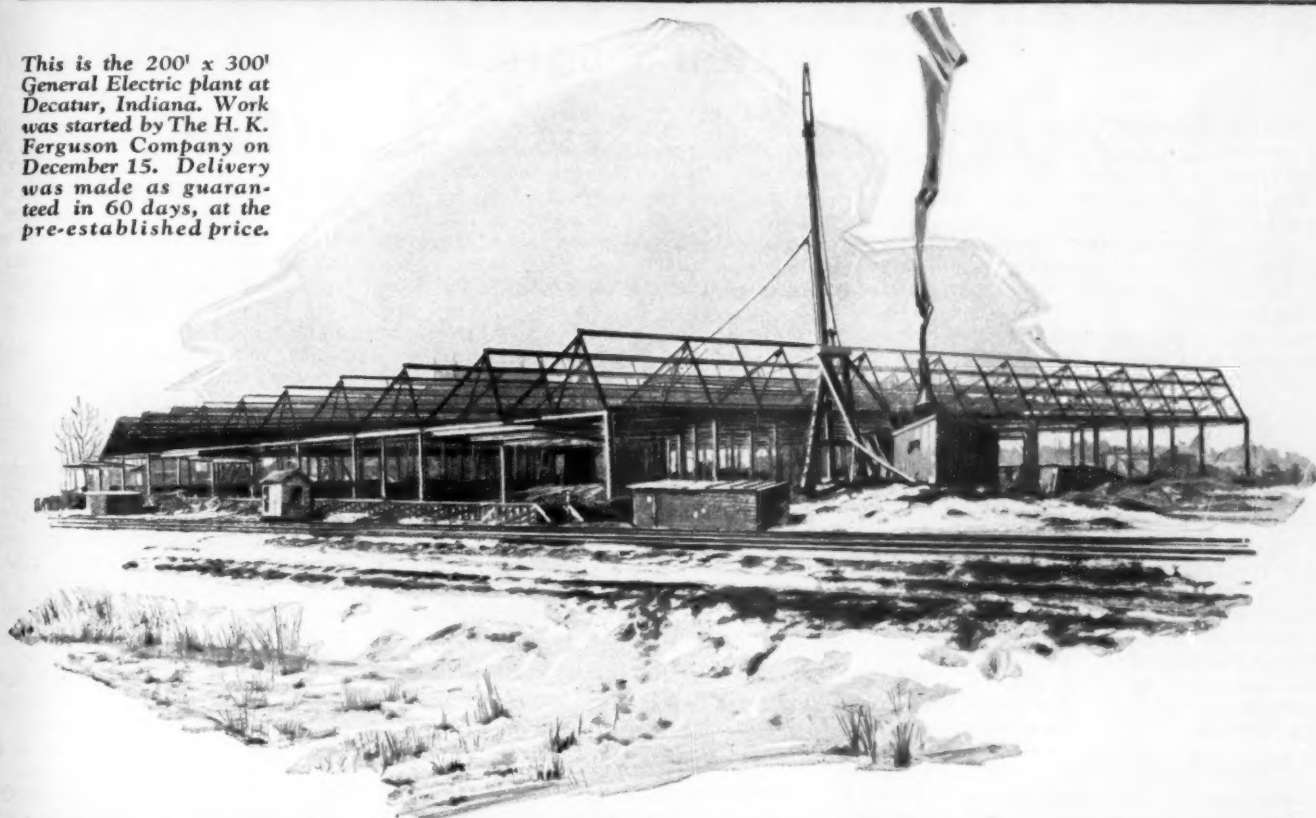
I have said that the proposed conference is to be four sided. The fourth side is the United States Government, for Mr. Hoover is and must be the representative of the Government. If representatives of labor, of business, of farmers and the Government, can come out of such a conference in agreement as to a program for the elimination of restrictive laws and for the promotion of self-government in American industry it is not going too far to say that one of the most momentous developments in American history will have been recorded.

In justice to labor's patriotic position, one remaining action must be chronicled, even if all too briefly. There came before the convention the subject of citizens' military training camps. Here the few struggling pacifists extant in labor's ranks hoped to achieve something. They hoped to secure condemnation of those camps. But they failed. The convention approved the principle of citizens' military training and denounced with fine impartiality as twin evils the doctrine of pacifism and the bombast of militarism.

Thus do the important acts of labor's convention present themselves. Whatever may be the opinion as to their wisdom or unwisdom, they surely point a course and indicate a determination to proceed on that course.

Big Business Builds The Ferguson Way

This is the 200' x 300' General Electric plant at Decatur, Indiana. Work was started by The H. K. Ferguson Company on December 15. Delivery was made as guaranteed in 60 days, at the pre-established price.



You can't build this winter if you wait for an architect!

BUT the H. K. Ferguson organization will start your work NOW. Moreover, it will give you a written, binding guarantee to deliver the building you want, on a definite date—30, 60, or 90 days hence—regardless of weather conditions.

This same guarantee will cover the correctness of design, construction work and the total cost. *It is a guarantee that means your satisfaction without argument.*

Remember, the Ferguson organization is internationally known as a specialist in industrial construction. The finest type of equipment and ample stocks of materials in the hands of this highly specialized organization enable Ferguson to build under the severest winter conditions and guarantee each step of the work.

The H. K. Ferguson Company is building on this basis today—this month—for Procter & Gamble,

Selby Shoe, Union Drawn Steel, Continental Gin, Todd Protectograph, The Lamson Company and numerous other nationally known concerns.

Each of these companies will take delivery of a new Ferguson building this winter on the regular Ferguson guarantee basis.

If you need more floor space, and need it quickly—get in touch with Ferguson now. You will be astounded to learn what worthwhile savings Ferguson can make for you both in time and money, even when building during the winter months. Call at one of the Ferguson offices. Or write, wire or phone for a Ferguson executive.

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Detroit Office: 841 David Whitney Bldg.; Phone: Cherry 3127
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GUARANTEED BUILDINGS

Industrial Research Helps Us All

An Article Which Might Have Been Called "Poker Chips from Cheese," or "Billiard Balls from Oat Hulls"

By WARREN BISHOP

THE IGNORANT but Inquisitive Layman and the Learned Professor halted before two glass dishes filled with lemons. One lot was a brilliant green, the other a bright yellow.

"That," said the Learned One, "is the result of exposing green lemons to minute quantities of ethylene, a gas which changes the green lemons to yellow."

"I'm unmoved," said the Ignorant One. "As I understand it, Kindly Nature, with the bright tropical sunshine of California or Florida or some other place, will, given time, produce the same result. And what, may I ask, is time to a lemon? Nothing, absolutely nothing!"

"Your language," said the Professor, "is glowing, but your ignorance is still dense. Time may be nothing to the lemon, but it is something to the lemon-grower. What you don't understand is that in buying lemons your estimable wife isn't really buying fruit at all. She is really buying sourness in the form of citric acid, and citric acid exists in greater quantities in the green than in the sun-ripened fruit."

Wife Wants Yellow Fruit

"**A**ND," the Learned One went on, "your wife's buying habits are such that she scorns green fruit and wants yellow. So the lemon-grower helps Nature a bit. He used to do it with kerosene stoves in rooms where the lemons were stored. But that took time, cost money, wasn't always certain, and made much disagreeable labor. But the Department of Agriculture's investigations into ethylene gas have changed or will change all that."

The Inquisitive but less Ignorant Layman moved on to another exhibit at the Court of Chemical Achievement at the recent Chemical Industries Exposition in New York City.

This time it was a display case of small bottles—dozens and dozens of them—ranged in orderly rows and labeled with names that meant less than nothing to most men but were a life history of each to the Learned Professor.

"Why," asked the Layman, "should I be moved by these? What, oh what, is it to me that 'o-Phenylenediamine is employed for the detection of orthoquinones' or that 'Benzyl-phenylhydrazine hydrochloride is of use for the identification of sugars, particularly pentoses'? When it comes to detecting orthoquinones or identifying pentoses, I am ready to turn the work over to the Police Department, where it belongs."

"You are, as usual, wrong," said the Learned Professor. "Many of those things have a direct bearing on your daily life. All of them may have. Your good health, your wife's complexion, the unravelling of a crime, may depend on these 200 chemicals."

"But there is interest in them beyond the question of use. When the war came, our laboratories and our manufactories found themselves cut off from many chemicals of

which they were in sore need. The Eastman Kodak Company stepped into the breach. There were chemicals they wanted, but there were a lot of things they didn't need themselves that they found they could make, and they did make them for other industries. It was a fine instance of 'enlightened selfishness.' It cost them a great deal of money, and only lately have they begun to see any sign of profit in the work."

"Business," said the Professor, "isn't so mercenary as some of you business men yourselves seem to think."

The Court of Chemical Achievement about which the Professor was showing the visitor was a sort of stepchild of this year's exposition. It was tucked off in a corner on an

YOU KNOW that your automobiles are duco-finished these days, that your pipe is made of bakelite, and that your wife's baking dishes are pyrex. But what do you know about such substances as tantalum, crodon, karolith, permalloy?

Karolith uses skimmed milk to make cheaply hundreds of things of daily use. Permalloy, product of Bell Telephone, makes it possible for us to cable six times as fast as formerly.

There is no need to extend the list, but what is significant is that all these substances are all the products of industrial laboratories, designed to make money.—The Editor

upper floor, but next time it is promised more attention. Its sponsors wanted to get together in one place exhibits which should show important recent advances by chemical research. It wasn't necessarily the final word; it was the best judgment of a committee of chemists as applied to the material available at this time.

One thing that struck the layman visitor was that most of these outstanding achievements of chemical science were the products of industrial laboratories. There were 18 exhibitors, of whom one was the University of Chicago and two others were government agencies—the Department of Agriculture and the Chemical Warfare Service. The rest, 15 in all, were industrial, ranging from such names as duPont, Eastman and U. S. Rubber down to commercial laboratories with a reputation among scientists and manufacturers but almost unknown to the general public.

But the Layman is still hunting the answer to the question "What does it mean to me?" and he stops in front of a display of metallic tantalum by the Fansteel Products Company. Vaguely he has heard of tantalum as a rare metal, but right there his knowledge stopped. But his guide explains that tantalum has some unusual properties. To the casual ob-

server it looks something like platinum, and he is not surprised to be told that it has many of the virtues of that metal at much less expense. While Mrs. Layman might turn up her nose at replacing her platinum ring with one of tantalum, the laboratory worker welcomes it, for it stands far greater heat than platinum or copper, few acids affect it, and it will not rust or tarnish except at high temperature.

But it has one unusual property, which is playing a part in the radio industry. Tantalum under certain conditions will let an electric current pass through in one direction but not in the other. It acts as an "electrolytic valve," and our "B" batteries are utilizing this property. So, too, are our railway signals. We hear better over the air and travel more safely by land because some chemist, working, I have no doubt, in the hope of making a profit, has devised processes for making tantalum and methods of applying that metal's peculiar gifts.

Mankind is always fighting rust and corrosion, and nearby is another weapon with which science has armed us in that fight. It's crodon, which is an alloy, almost entirely of metallic chromium and used as a thin plating on other metals. The result is harder than the hardest steel, rust-proof and acid-proof and with a dozen other virtues.

Efficiency and Science

CRODON was the work of Dr. Colin G. Fink, head of the electro-chemical department of Columbia. It was he who discovered what we might call "reverse corrosion," a process by which ancient, corroded metals were restored to their original form, a device which has been of great benefit to museums. Dr. Fink worked at the chromium problem through the Chemical Treatment Company, Inc., and once the results were definite, a plant was installed in New York where engineers could deal with crodon's industrial and research problem. An announcement from the company says:

"Although the variety of articles that have been plated with crodon is very large and will undoubtedly grow larger as time goes on, many articles have been received that would not be greatly improved through its use. We have been compelled, therefore, to exercise great discrimination in selecting from the articles that are being sent us by manufacturers, those which we believe will give higher efficiency and greater service after they have been plated."

"By doing this we have been able to devote more time and energy to the more important uses for crodon, and in some instances our staff has been employed for weeks at a time solving one problem."

Which seems a first-rate combination of business efficiency and scientific methods!

Permalloy is another chemical achievement for which the world ought to be grateful, for it means the speeding up of cable communication. It's the work of the Bell Telephone

Why THE HOME INSURANCE COMPANY equips its field men with One-Profit Studebakers

—records prove that Studebakers cost no more to operate than ordinary 4-cylinder cars, while offering superior performance and comfort.

THE Home Insurance Company of New York is one of many national concerns which have proved that Studebaker cars are most practical and profitable for the use of field workers.

Of the 232 automobiles maintained by this company, more than half are Studebakers.

During 1924, careful record of operation expense was kept. The figures, given below, show that 118 Studebakers were operated at the average cost of six cents per mile; 43 four-cylinder cars at the same average cost; and 71 cars of other makes at an average cost of seven cents per mile, operation expense including gas, oil, tires, repairs and other incidentals.

Superior performance

Of course, the Studebaker is slightly higher in first cost. But experience proves that this is more than offset by superior performance and comfort, enabling the salesman to cover a wider territory and actually make more sales because his personal efficiency is unimpaired by strain of travel.

In addition, the Studebaker creates prestige with its much finer appearance, giving the right impression of worth and stability.

For these reasons, many leading firms are selecting the Studebaker Standard Six Duplex-Roadster

as standard equipment for salesmen. Operators report it gives greater dependability, greater comfort and greater all-round satisfaction than any other car used for similar purposes.

Entirely new-type open car

This car has many practical conveniences. Within its steel-framed top are concealed the famous Duplex roller side enclosures which banish curtain trouble and give protection from rain or storm in 30 seconds. It has 14½ cubic feet of water-tight, dust and dirt-proof storage space under its rear deck for samples, advertising matter and personal baggage.

The engine, according to rating of the Society of Automotive Engineers, is the most powerful in any car of its size and weight.

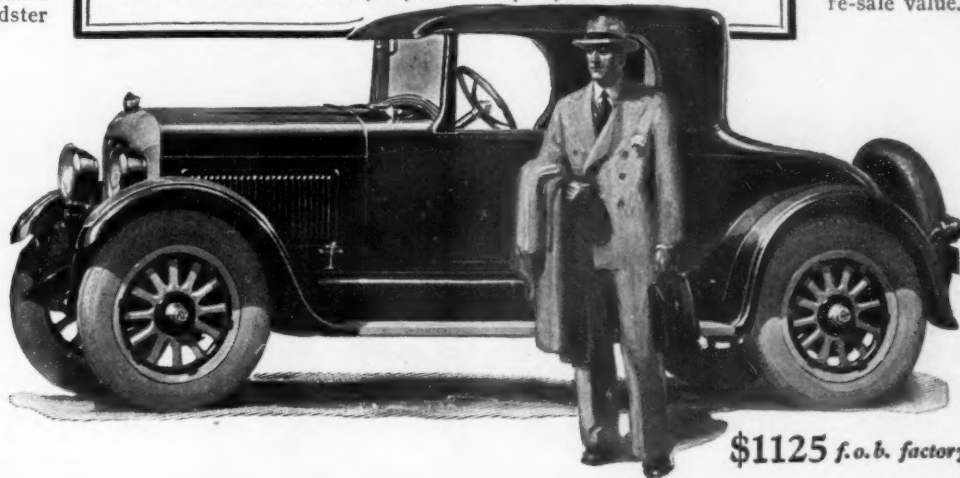
Standard equipment includes 8-day clock, gasoline gauge on dash, automatic windshield cleaner, rear-vision mirror, stop light, spare tire lock and a coincidental lock to ignition and steering wheel, which reduces insurance.

Like every Studebaker, the Standard Six Duplex-Roadster is Unit-Built under the Studebaker One-Profit

manufacturing system. All parts are designed, engineered and built into one complete harmonious unit. This results in longer life with scores of thousands of miles of excess transportation, greater riding comfort, lower upkeep costs and higher re-sale value.

How Studebaker Cars made good for the Home Insurance Company

Cars	Mileage	Total Expense	Cost Per Mile
118 Studebaker	1,348,629	\$ 78,864.06	.06
43 4-cylinder car....	410,723	22,751.19	.06
17 Third make.....	149,147	9,752.91	.07
54 Miscellaneous ...	335,247	22,051.18	.07
232 Total	2,243,746	\$133,419.34	.06



\$1125 f.o.b. factory

The STUDEBAKER Standard Six Duplex-Roadster

When asking for further information about STUDEBAKERS please mention Nation's Business

Laboratories, and is nickel-iron alloy with certain unusual electrical properties. *How* it's made and *how* it works its wonders are too intricate for most of us, but here's *what* it does: It accomplishes an increase of speed over the New York-Azores cable from 250 to 1,900 letters a minute!

Tantalum and crodon and permalloy may seem far away from the everyday life of most of us, but there are other things here crowned as chemical achievements which are common words to us all, thanks in part to the fact that they come into the kitchen, the garage and the living room at first-hand and in part to the lively efforts of the advertising agent who spreads them on magazine pages before us.

Duco, bakelite and pyrex—these are outstanding instances. Duco on the outside of a car is familiar, but duco as a "cellulose nitrate which dissolves perfectly in acetone, amyl acetate or methyl alcohol" sounds much more serious. But it was a chemical triumph by a great industrial plant.

Duco uses the short fiber of the cotton seed, which used to be wasted. It's bathed and bleached and dried and "nitrated" with nitric acid. Then the water is displaced with alcohol in hydraulic presses and we have pyroxylin, and pyroxylin is dissolved in amyl acetate, and so on and on, and in the end we have a lacquer which dries by evaporation, and evaporation is a thing which once done is done for good. And your automobile has a permanent finish.

Furniture Out of Bakelite

BAKELITE has its story. L. H. Baekeland, who invented (or discovered) it, is a chemist whose first work was with photographic paper. He turned out Velox but declined to patent it, holding that a copyrighted name was better than a patent and that "he couldn't afford law suits." Then he turned to making resins (pronounced rozz'n by small boys) out of phenol and formaldehyde. Out of his work came bakelite, named for himself.

The number of things it can be used for is incredible. Its promoters record this:

"In varnish form it impregnates a fragile human skull so thoroughly that it can be bounced upon a table top uninjured."

Few of us, of course, make a real profession of bouncing human skulls on table tops, but many of us use pipes and beads and umbrella handles and fountain pens and radio sets and billiard balls—and for all these bakelite is being used.

"And what's more," said the Learned Professor, who had been silent all too long, "I think the day will come when we shall make much of our furniture out of substances such as bakelite. Think of the opportunities, easily machined, acidproof, scratchproof, with every possible color available."

"But," said the Learned Professor, "instead of considering these things which every one knows, let's pass by pyrex, in which your wife cooks her pies, and which the railroad uses for headlights, and I for chemicals, and look at something stranger."

The strange things were gay blue and red poker chips.

"Those," said the Professor, "are cheese."

The Ignorant One saw that it was his duty to look surprised, and he did.

"Yes, cheese—in other words, a casein plastic made of skimmed milk, of which we have an oversupply in parts of this country. Skimmed milk is treated with rennet, as in cheese-making, and the product is hardened with formaldehyde. The result is a tough, horn-like material of high tensile strength. Its trade name is karolith, and it will do many of the things that bakelite will."

Karolith was the outcome of research at

the Mellon Institute in Pittsburgh, where for five years graduates of the Universities of Kansas, Nebraska and Toronto struggled with the problem.

Karolith is being used for many things, buttons largely. In short, if we can't drink our skimmed milk, we can wear it.

A nearby exhibit was something of a reverse of this. There chemistry had succeeded in making something edible out of a commercial waste, suggesting the synthetic foods of which our H. G. Wellses have been writing. The comparison isn't very close since an animal substance, beef blood, is the starting point.

Most of us have a prejudice against the idea of using beef blood as food, and that we should now turn to it for that purpose is a reflection on the economics of the domestic hen. It is a painful duty to drag the industrious hen into the limelight and accuse her of wasteful production methods, but the fact is that the hen overdoes on yolks and underdoes on whites of eggs. We import each year from China thousands of tons of dried egg whites to meet the deficiency.

Beef blood has large amounts of usable albumin, though great amounts of it have yearly gone into fertilizer and glue. Now the American Protein Company is turning out quantities of albumin, and set forth on plates were chocolate candies whose centers had been made of blood albumin and cakes with the new product instead of with whites of egg.

Buttons from cheese, and whites of egg from beef blood! Science does odd things.

"But," said the Professor, "the thing that counts in these devices is not their oddity, not the fact that science finds strange paths to travel, but that they are all or most of them developed by industries to use waste for your comforts or necessities."

Further to prove his point he led the now less Ignorant Layman to a display of furfural.

The Layman remembered something he had once read.

"Make it from corncocks, don't they?" he asked brightly.

"They can, but they don't," said the Professor, "at least this isn't."

A New Use for Oat Hulls

FURFURAL is a by-product of breakfast. When rolled oats are prepared, great quantities of oat hulls are turned. These have been used in two ways—in making cattle feed and for fuel—but oat hulls aren't entirely successful for either purpose.

For feed they're only 50 per cent digestible, and it was in trying to make them more digestible that the chemists came upon the trail of a new way of making furfural. Oat hulls are cooked with acids and steam to produce furfural, and in this way it becomes the cheapest aldehyde available.

"Which," said the Learned Professor, "perhaps means nothing to you, but it does to manufacturers of varnishes and the synthetic resins, one of which, bakelite, we have just discussed."

The Department of Agriculture had a furfural of its own to be honored as a chemical achievement. The Department's furfural was made of corncocks but otherwise it was the same. Perhaps there'll be a race between corncocks and oat hulls for the job of supplying the nation with the furfural it can use, though furfural is one of the things most of us will probably use without knowing it—unless it is developed into an automobile fuel.

"Let me show you one more recent triumph of industrial chemistry," said the Professor, "and you can go back to your own work." He led the Layman, who was be-

ginning to feel overstuffed with facts, toward a large cube of what looked like very porous cheese.

"That," he said, "is sprayed rubber. Even the most ignorant of layman knows that rubber starts as a milky fluid from the inner bark of a tree. But many of them do not know that the United States Rubber Company has devised a way to atomize the fluid into moving hot air to produce this spongy mass."

"What's the advantage?" Uniformity chiefly. Rubber prepared this way doesn't have to be "blended," and your tires and your overshoes and all the other things in which you use rubber are getting to be of better quality.

Swords Into Ploughshares

WE ARE seven years removed from the war, yet its thunders still echo in some of our chemical achievements. It was war that drove the Eastman Company to its work on production of chemicals for the market. One more direct result was shown in the Chemical Warfare Service display. Gas masks have been devised, with the help of the Public Health Service, to protect the men who fumigate with hydrocyanic acid, and new and safer methods of fumigating have been worked out. In the process of beating swords into ploughshares the war chemists have devised methods to keep marine borers out of wooden docks and piling.

But the victories which the Court of Chemical Achievement celebrates are victories of peace rather than war, and what interests NATION'S BUSINESS most is that they are very largely the victories of industrial laboratories.

And as the no longer Ignorant Layman moved away he was heard to mutter:

"Poker chips from pot cheese; paints from oat hulls; angel food from beef blood; turning green lemons yellow!"

CORRECTION

IN THE printing of the article by H. A. Smith, president of the National Fire Insurance Company, Hartford, in the November issue of NATION'S BUSINESS entitled "What's What in Your Fire Policy," a typographical error caused a 2 to replace an 8.

We are glad to correct this because coinsurance is one of the things the business man should know about and ordinarily doesn't. He needs to know whether he is over-insured or under-insured as well as the amount of money he would receive from a fire insurance company in the event he accepts the benefits of a reduced rate or a broadened form of cover in consideration of a coinsurance clause and subsequently has a fire.

Mr. Smith's illustration as it should have been printed follows:

The policyholder participates proportionately in the losses with the insurance companies to the extent for which he may be under-insured, according to the requirements of the coinsurance clause.

EXAMPLE

80 Per Cent Coinsurance Clause on Policy			
Value of property.....		\$10,000	
Insurance required.....		8,000	
Loss		3,200	
Case	Insurance carried by insurance company	Loss paid by insurance company	Proportion of loss
I	\$8,000	\$3,200	Full amount
II	6,000*	2,400	Six-eighths

* As the assured carries \$2,000 less than the amount required by the coinsurance clause, he self-insures to this extent and therefore assumes two-eighths of losses, which in this case is \$800.



CHAMBERS & THOMAS, BUENOS AIRES, ARCHITECTS. YORK & SAWYER, NEW YORK, CONSULTING ARCHITECTS

The First National Bank of Boston Building is the finest business structure in South America

Isaac F. Marcossan, in the SATURDAY EVENING POST, Sept. 5, 1925



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When writing to STONE & WEBSTER, INCORPORATED, please mention Nation's Business

What Horsepower Means to America

By LEWIS E. PIERSON

Chairman of the Board, Irving Bank-Columbia Trust Company, New York

THE UNITED STATES today generates and consumes more than half of all the electricity produced in the entire world. And with only seven per cent of the world's population, it has more than thirty-six per cent of the world's railway mileage.

Having won this supremacy in power and transportation, it is imperative that America should maintain its leadership.

As American business conceives the responsibility entrusted to its regulatory bodies, the task is far more than a mere policing of public utilities. It far transcends the testing of meters or the computation of car miles, for public utilities occupy a key position in the complex machinery of industry and commerce, upon which America relies for the preservation of high wages, steady employment, flourishing business and national prosperity.

Perhaps I can best make this clear by referring to the policy which lies at the root of America's industrial achievements, the policy of mass production. Instead of restricting itself to limited production, American industry has been built up on the basis of wholesale production and large volume.

Through power machinery we have enabled the American wage-earner to turn out in a day more than the daily production of any other workman in the world. This has meant that American industry has been able to pay the American worker the highest wages in the world. Higher wages, in turn, have meant a greater public purchasing power and wider markets for American goods.

Some time ago I read a summary prepared by the International Labor Office at Geneva, Switzerland, which to me represented the supreme vindication of America's policy of mass production.

Our Wage Power Highest

THAT summary compared the wages paid in the United States with wages paid in the chief European countries. The comparison was not made in dollars, or pounds, or marks, but in the amount of necessities and comforts which could be purchased with the wages received.

The American worker's wages, on this basis, was placed at the top with a purchasing power of 100 per cent. Next came the English worker whose wages can procure only 50 per cent of what American wages can buy. Then followed the Dutch worker with a purchasing wage of 45 per cent, the Polish and Swedish workers with 40 per cent, the French and Norwegian workers with 35 per cent, the Belgian and Spanish workers with 30 per cent, and the workers of Austria, Germany and Italy with wages that in actual buying power are only 25 per cent of the buying power of the American wage.

Many factors have contributed to the pre-eminent position of America's workers, but underlying everything else has been the fact that the American wage-earner has had more horsepower at his elbow than the worker of any other industrial nation, and has had superior facilities for the transportation of his raw materials and of his finished products.

In addition to his naked hands and his native skill, each American worker has an average of four horsepower at his disposal, with which to multiply the productiveness of his head and hands.

These horsepower have created a situation where today there are no private soldiers in America's industrial army. The rawest recruit, placed in charge of a power-driven machine, becomes at once a foreman directing the tireless forces under his control. Horsepower provides him with mute but willing assistants who saw and cut, stamp and grind, weave and mould, under his direction.

Not only is his work made easier by the horsepower that he uses, but because his productiveness is multiplied his earning power is correspondingly increased.

Horsepower Helps Worker

ASSUMING, for the sake of example, that a worker with a power machine can produce ten times as much in a day as he can without the machine, it is clear that he can earn more and buy more. His machine-made goods can be traded for other machine-made goods. The man who makes shoes will, in the last analysis, trade his labor with the worker who makes Ford automobiles or radio sets. And because horsepower has multiplied production all along the line, the shoes, the automobiles and the radio sets will all be cheaper.

Horsepower, in short, not only raises wages, but it also raises standards of living.

Horsepower makes mass production possible. Mass production makes wages higher and prices cheaper. High wages and cheap prices enable our industries to compete with the world, and provide a great home market where every wage-earner receives enough to buy the product of his fellow workers.

Placing this great emphasis on the importance of horsepower, American business, which cannot be prosperous unless the nation is prosperous, has a vital and continuing interest in the agencies which supply horsepower to industry. It is interested in the steady growth of its utilities. It is interested in each new development which makes horsepower more available or more efficient.

It is interested in the researches of the industrial scientist who devises new and better ways of producing and distributing energy, and in the operating improvements which the utility executive is able to achieve. And it takes a deep and an abiding interest in the manner in which regulatory bodies serve the public interest in perfecting and encouraging the utilities under their control.

Constructive Regulations

WHEN State Commissions have provided reasonable rates and adequate service, they have only discharged the elementary part of their responsibility. It should be the supreme duty of the regulatory bodies of the United States to go beyond the mere policing of the utilities to use their great authority and their great influence in a constructive effort to maintain the leadership which America's utilities have thus far won.

This is not the only country in the world with great natural resources. Our strength lies in the fact that we have had the initiative and the vision to develop our natural advantages. Our utilities lead the world, not because of our superior resources, but because of superior initiative and because we have used our utilities to develop our industries and improve our standards of living.

The item of electric power represents on

the average only 2.8 per cent of the operating cost of the average American industry. How small this seems when compared with the tremendous advantages of mass production and high wages which flow from the abundant and available supply of industrial power! How short-sighted it would be for the business man to see in the electrical industry only a means of lighting his home, when 72 per cent of all the electricity in this country is used to turn the wheels of industry!

Other nations, which have observed America's rapid rise to industrial leadership, are already beginning to adopt and in some instances to improve upon the methods of industrial production through which America's leadership has been achieved.

To preserve American supremacy and to maintain American standards of living, we shall have need of all the energy, all the initiative and all the foresight that have brought us thus far along the road.

Wise Rulings Aid America

OUR states have set up machinery in their regulatory boards and commissions to make sure that their expanding utilities shall not be tyrannous in the exercise of their strength. They have set definite limits upon the rates that the utilities may charge; they have established standards of service to which the utilities must adhere. The protective powers of the utility commissions have been developed to the point where the whole strength of the government can be invoked against any utility which might venture to injure the rights of the humblest citizen.

All this is right and proper. But the emphasis thus far has been all too much on the restrictive powers of public regulation and too little stress has been placed upon public encouragement of the utilities which are essential to our national welfare.

American business has watched the steady progress of our American utilities. It has seen them grow from small beginnings, from the awkward hope of the inventor and the pioneer, to the strong and prosperous agencies of public service which today form the basis of America's whole industrial fabric.

It looks about the nation today, and it sees these utilities spending vast sums of money each year for improvements and new developments. And it recognizes that there has been gathered together in America a trained and skilful array of utility executives, some of whom can show a record of service running back to the beginning of their industry.

The accumulated strength and experience of America's public utilities, and of its utility executives must be preserved for the benefit of the nation as a whole.

American business is not concerned with utility schedules or rates, with methods of book-keeping or with franchises and rights of way. It relies upon the utility commissioners, and the regulatory bodies which they represent, to see that rates are just and reasonable and that the public's rights are protected.

American business is vitally interested, however, in the standards of service which the utilities maintain. It is keenly concerned that American industry shall have adequate power to run its factories and facilities for transporting the myriad commodities of commerce.

The Gift of Silence

THE CLANG and clash of industry once proved its vigor. The screech of metal against metal, as gear teeth meshed, was its chorus of inevitable disharmony.

Then came Bakelite—its silent gears and pinions spinning noiselessly, efficiently, enduringly.

And this is not the whole story of Bakelite achievement. Working its way into industry after industry, Bakelite made possible cheaper production, a more efficient machine, an en-

tirely new type of instrument. An industrial leaven, it has created a whole list of new products.

There is a wide difference between gears and jewelry, an abrasive cutting wheel and a decorative radio panel. And yet Bakelite is the base from which these and many others are made.

"The material of a thousand uses" is no catch phrase. In no other way may the ever-increasing tale of Bakelite usefulness be expressed.



REG. U. S. PAT. OFF.

BAKELITE

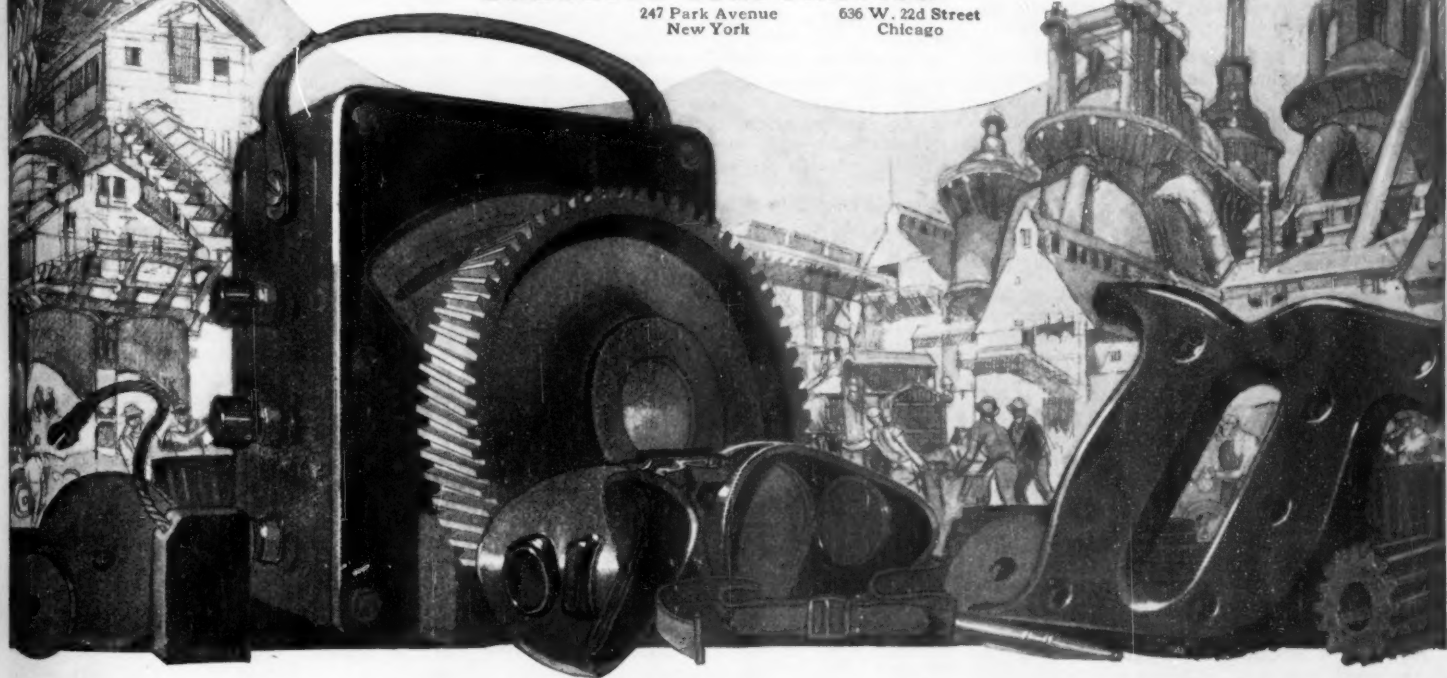
is an exclusive Trade Mark and may be used only on products made from materials manufactured by Bakelite Corporation.

"The Story of Bakelite," by John Kimberly Mumford, is a fascinating and educational story about the discovery and development of Bakelite. May we send you a copy?

BAKELITE CORPORATION

247 Park Avenue
New York

636 W. 22d Street
Chicago



BAKELITE

REG. U. S. PAT. OFFICE

THE MATERIAL OF A THOUSAND USES

When writing to BAKELITE CORPORATION please mention Nation's Business

Advertising—Edison vs. Calkins

ELIMINATING men in advertising, infants, illiterates and the insane in confinement, approximately 100 million men, women and children in the United States know everything about advertising, from elephant banners to newspapers and magazines and back again to business cards on the Commercial House register.

One glance and anyone of the hundred million can analyze an advertisement and give quite a definite estimate of its pulling power or lack of it. Without hesitation they are ready and willing to point out the more glaring defects of a piece of copy, let it be Cadillac, or Wanamaker or Standard Oil of Indiana.

With that preamble in mind we may presume to give some of the main points in a discussion in which Charles Edison, Chairman of Directors, Thomas A. Edison Industries, asks, "If it isn't time to junk the generality that 'It Pays to Advertise.'"

He thinks it is and says he is not enthusiastic about advertising anyway, so far as his business is concerned. When Mr. Edison said it he chose Columbia University advertising students as his audience, and his address was reprinted in *Advertising and Selling Fortnightly*. So no one can be charged with dodging.

Earnest Elmo Calkins Replies

THEN comes Earnest Elmo Calkins, who, being an advertising man of first rank, should not have been permitted to express himself on the subject. But he is also known as a writer and under that classification, perhaps, he may have been held competent to reply.

Making and selling phonographs and records, Portland cement, motion pictures, storage batteries and primary batteries, numbering machines, benzol, aniline and other coal-tar products and a group of office specialties is the business of which Mr. Edison is the active head. It must be admitted that the line offers a field wide enough for the most active-minded advertising genius. As Mr. Edison says in undeniable terms:

The problems of phonograph advertising are utterly unlike those of merchandising Portland cement; Portland cement is again different from motion pictures. . . . I am approached—in fact, bombarded, by those interested in getting us to do some form of advertising—about five times as often as is a concern that manufactures and distributes one main product. . . .

As I listened to selling talk designed to show that some one particular brand of advertising was the panacea for all our ills, which agreement was knocked in the head by each successive caller in an attempt to show that his particular kind of advertising was the only true god, I began to have certain misgivings, certain feelings that perhaps this accepted faith of mine would not stand too searching an analysis.

However, it required the commercial hardships of the years 1920 and 1921 to make these misgivings take the form of constructive misgivings and constructive analysis. In other words, it took the shock of a very much strained condition of our pocketbook and the fact that we had very little money to spend for anything, let alone advertising, to bring me around to the point where I started to think about the subject.

Mr. Edison says he was still thinking when his father, Thomas Edison, took a hand.

He knew that there was one time at least when there was no question about the fact that it did not pay to advertise—and that was the time when things were rapidly treading toward a catastrophe. . . . Mr. Edison, with one

fell swoop, chucked the whole thing overboard.

In other words it did not take Mr. Edison, the father, a minute to decide on a revolutionary change in the company's advertising policy, to alter entirely his sales plan. One "fell swoop" and it was done; Mr. Edison, being an inventor, did not hesitate a moment in deciding an advertising problem.

An impatient advertising man, with natural prejudices, would say that by the same reasoning a department store, in hard times, would be justified in stopping window dressing and counter display, incidentally closing a few entrances and saving on door-man hire. Most seasoned advertisers create a "war fund" in the fat days to pay for extra space when hard times appear. They seem to think that their experience justifies that system.

Mr. Edison found that hypnotism through advertising caused the overinventories among his dealers in 1921. He says:

When we stopped to take account of conditions in 1921 we found that our enormously increased sales during 1917, '18 and '19 were not sales at all, that the jobbers and dealers, on top of the natural business enthusiasm of that period, had been hypnotized by the expected power of the advertising effort on our part, into placing greatly inflated orders for merchandise which in fact merely accumulated on their shelves. Even to this day there are stocks of merchandise in the hands of jobbers and dealers that were unabsorbed. Manufacturers should not consider a sale a sale until the article is in the hands of the ultimate consumer and paid for, but most businesses are content to do what we did before we learned better—to consider a sale a sale when it left our plant and was paid for by either jobber or dealer. This heavy accumulation of stocks that has caused us no end of trouble and worry is one of the dangers of a successful or partly successful advertising campaign. I attributed much of this accumulation to the blind faith of the jobber, dealer and ourselves that if you only advertise enough the goods are bound to sell.

Ford Brought Into Picture

THEN Mr. Ford is brought into the picture. Mr. Edison cites Ford as an example of institutions that began advertising after having marked a high degree of success.

I think that it will be admitted that he was doing rather nicely before he started advertising on an extensive scale about two years ago. For reasons best known to himself he is advertising on a huge scale today and, if he continues to do this after a number of years, sooner or later, it will be a well known and accepted fact that "advertising made Ford."

But men in the advertising business say that there never has been a time when Ford was not a big advertiser; that his advertising expenditures—and those of Ford distributors—through all the years would be a dignified amount even in an international debt conference. Mr. Edison continues:

On the other hand there are dangers to a well established, conservative, successful business in jumping into an advertising campaign as a means of rapid expansion.

These dangers are those of too rapid expansion. After all, advertising is just one help toward making a lot of money quickly, and a conservative house either loses its head and goes too far at this sudden prosperity or else cannot adapt itself to the sudden demand made upon it. In any event, the advertising money is more often partly if not wholly wasted under such circumstances than cashed in on.

In the following issue of *Advertising and*

Selling, Mr. Calkins, of New York, replies to Mr. Edison. As a business man he would be termed careful, conservative. He starts right out by saying that, like most slogans, "It Pays to Advertise," is a generalization and a half truth. Then he aims to answer Mr. Edison in detail. Let's quote:

What Mr. Edison needs is an advertising advisor to steer him among the different kinds of advertising, to tell him what mediums to use, and how to use them. Perhaps he already has such an advisor, but like many another advertiser, has not listened to him, but is trying by himself to thresh out old straw that has already been separated into grain and chaff.

An Interesting Observation

THEN Mr. Calkins brings in the "Edison legend," an advertising observation, irrespective of the advertising discussion.

Mr. Edison's conclusions are admittedly based on a survey of his own (or his father's) business, and so his attitude toward advertising must be viewed in the light of that concern's advertising history. It seems fair to devote a short time to an examination of what I may call the Edison legend.

This legend, created and fostered by eager newspaper men, trade paper editors, and success magazines, is that Thomas A. Edison, besides being an illustrious inventor, is also a hard-headed business man, knowing all there is to know about production, distribution, merchandising, selling and advertising. He is also an authority on sociology, economics, politics and education.

Reporters have interviewed him on every subject under the sun, and quoted his opinions at length, because they know that any subject, from poured houses for working-men to questionnaires for college graduates, with Edison's name attached to it, is good copy. And while not the best advertising, this publicity is nevertheless good advertising for the Wizard of Menlo Park. It showed that he was still on the job.

But its natural effect on Mr. Edison has been to make him believe that he can run his own business just as ably as he can run his own laboratory. And the probability is that over a long term of years, the kind of advertising the various Edison interests have had is what Mr. Edison dictated, and he is some little dictator. My impression is not entirely based on an outside viewpoint. My firm handled the Edison advertising for eight years, and during that time I had opportunity to observe Mr. Edison's attitude toward advertising, and all the processes of business. I admire the man, but not as a business man. He is a great inventor. Few inventors have been able to market their own products.

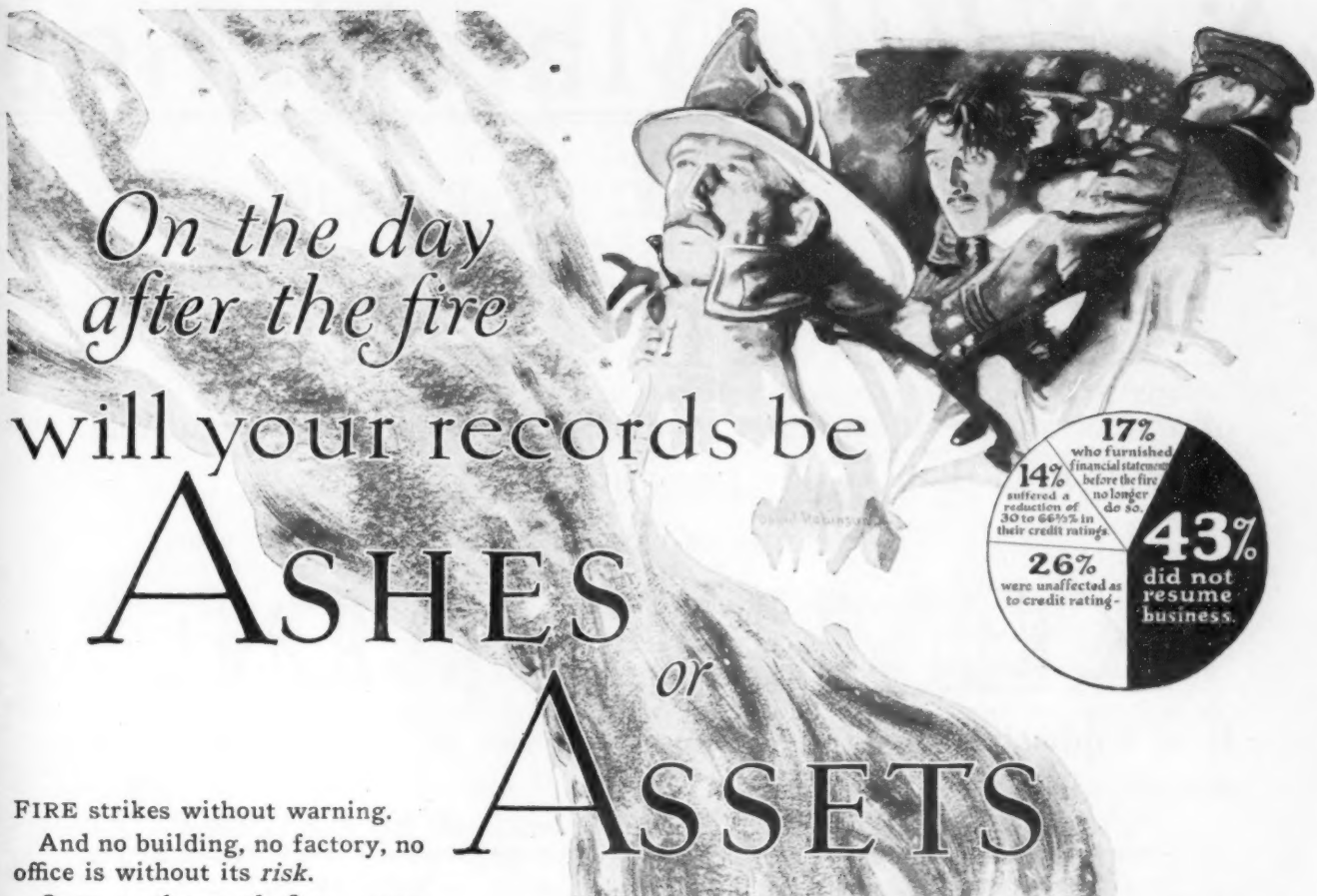
As an instance of Mr. Edison's attitude toward his own work, consider the following story, which reflects nothing but credit on Mr. Edison. His sales force and advertising agency were busy selling the storage battery invented by him. A new factory had been erected to manufacture it, a large stock was on hand, and quantities had been sold to various dealers, largely in the automobile trades. But Mr. Edison was hard at work on a newer and better storage battery, which would displace his present one.

That was all right, as long as he kept it to himself, but he was already lost in his new creative work, oblivious of the sales situation, and gave out an interview in which he said that his new battery when ready would be so superior to the old one that no one would continue to use the old one. What that did to the sales can be easily imagined. Mr. Edison's heart is in his laboratory. I believe his most prosperous periods have been when he turned the purely business side of his enterprises over to a trusted lieutenant.

One need but read Edison's inspiring life, as written by his friend and legal adviser, Frank

On the day
after the fire
will your records be

ASHES or ASSETS



43% did not resume business.

17% who furnished financial statements before the fire no longer do so.

14% suffered a reduction of 30 to 66% in their credit ratings.

26% were unaffected as to credit rating.

FIRE strikes without warning.

And no building, no factory, no office is without its risk.

Over a thousand fires occur every day.

These are facts—not theories.

Every business man thinks that he carries adequate protection, but statistics prove that 43 per cent of those who have serious fires are unable to continue in business.

They are unable to continue largely because their records, their correspondence, their accounts of goods bought and sold

are reduced to worthless ashes.

They cannot collect their full insurance because their losses must be guessed at.

They are at the mercy of their customers regarding the collection of accounts.

Without their correspondence, their data, their records and books they cannot continue to do business. A lifetime of work wiped out!

Fire strikes without warning. Your turn may be next. Your only safeguard is to provide adequate protection for your vital business records now.

Safe-Cabinet products give you Certified Fire Protection, combining with it, convenience, economy of floor space and beauty.

Phone the nearest Safe-Cabinet Man today. Or write, or wire

THE SAFE-CABINET COMPANY, Marietta, O.

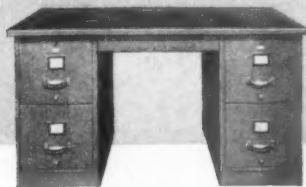
THE SAFE-CABINET COMPANY of Canada, Ltd.
Toronto, Ontario



The
Safe-Cabinet
86 sizes and
models



The
Safe-File
Protection
plus
convenience



The
Safe-Desk
Gives protection
from fire



The
Drawer-Safe
Certified
protection



Safe-Cabinet
Vault-Door
Proved and
labeled

MADE BY THE LARGEST MANUFACTURERS OF RECORD-PROTECTION DEVICES IN THE WORLD

When writing to THE SAFE-CABINET COMPANY please mention Nation's Business

A *NEW* Material of

THIS IS THE FIRST PUBLIC Announcement

of a new and revolutionary product with characteristics entirely different from those of any fabric now on the market.

The name of this material is

KEMI-SUEDE

It is applicable to a wide range of uses in many articles of merchandise.

This announcement will be of interest and importance to manufacturers whose products require or would be improved by the use of a material—

1 That has the soft, velvety texture of fine suede leather.

To the sight and to the touch, KEMI-SUEDE has a soft, velvety surface that suggests its use where beauty of finish, richness and fine quality are demanded.

2 That is waterproof.

KEMI-SUEDE is more than water-resistant; it is actually waterproof in the sense that it cannot absorb and cannot be penetrated by water. It will stand exposure to weather without deterioration or injury to the finish.

3 That can be scrubbed with soap and water without injury.

In actual use pieces of KEMI-SUEDE that had been allowed to accumulate dirt and grease to a point which would have rendered any ordinary fabric worthless have been restored to their original condition by scrubbing with soap and water.

4 That is wear-resisting to the utmost degree.

It is impossible to show by figures the amount of wear to which KEMI-SUEDE may be subjected, but the simple experiment of endeavoring to scrape down the finish with a sharp knife until the basic fabric is reached will result in a convincing demonstration of its durability.

Unlimited Possibilities

5 *That has great tensile strength.*

The tensile strength of the basic fabric is augmented by the "construction" of which it is a part.

6 *That can be manufactured in a wide range of weights and surfaces.*

KEMI-SUEDE possesses a degree of adaptability in weight and finish that suggests a range of possible uses extending all the way from floor coverings to decorative linings.

7 *That can be made in a great variety of pleasing colors.*

KEMI-SUEDE can be produced in many beautiful shades and tones which in themselves suggest applications in which beauty must be combined with utility.

8 *That is not an imitation or a substitute, but a new material.*

KEMI-SUEDE is new in principle, new in construction and new in process of manufacture. It is neither a near-leather nor a cheap substitute. It has qualities such as no other material possesses, and stands alone in its field.

9 *That has now reached the stage of actual production and use.*

Two years of study, experiment and production have shown the possibilities of KEMI-SUEDE, and the method of its manufacture for specific uses.

10 *That is in the hands of a responsible corporation.*

KEMI-SUEDE is sponsored and backed by an organization with ample resources and a manufacturing experience that assures uniform and continuous production.

THE KEMITEX PRODUCTS COMPANY • BARBERTON, OHIO

Suggested Applications:

- | | |
|--|--|
| 1. Aprons—industrial and kitchen. | 8. Luggage—for linings. |
| 2. Automotive—top coverings, linings and upholstery. | 9. Mats. |
| 3. Baby carriages—for linings. | 10. Sheet music rolls, briefcases, handbags, billfolds, etc. |
| 4. Card tables—for top material. | 11. Office appliance covers. |
| 5. Fans, lamps, telephones—base material. | 12. Seat covers. |
| 6. Gloves—gauntlets, work gloves, etc. | 13. Shoes—for quarter linings. |
| 7. Golf bags. | 14. Slippers—for soft soles. |
| | 15. Table covers. |
| | 16. Toys. |
| | 17. Waterproof blankets. |

To Manufacturers:

The Kemitex Products Company is now ready to discuss with a limited number of responsible manufacturers the specific application of Kemi-Suede to their uses, and the development of appropriate constructions. The company reserves the privilege of selecting from among possible applications those which offer the greatest opportunity for its successful use in order to give close personal attention and development service.

L. Dyer, to realize how much he has contributed to the comfort and efficiency of the world, and how little he has profited financially by his discoveries. One after another he threw off revolutionary inventions, with little interest in them after they were successfully solved, selling them for a pittance to secure ready money for the next adventure. Any one of these, in the hands of real business men, would have created a vast fortune, and many of them did—for someone else. Just think what a George Eastman would have done with any one of them! There is something magnificent in this splendid indifference to the merely financial side of his work.

Mr. Edison judges advertising by its effect on himself, a habit only too common to the deaf, as I know only too well. The result is that the Edison businesses have never had the continuous consistent advertising which alone would prevent the crisis which young Mr. Edison so graphically and feelingly describes.

One statement made in this speech of Mr.

Edison's is quite startling; namely, that advertising has broken down the morale of both dealer and traveling salesman, that they no longer make an effort to sell, but are disposed to leave it all to the advertising, and when advertising is withdrawn they have nothing left to talk about.

Now it is quite possible that advertising has made it more difficult for either dealer or salesman to sell unadvertised goods. I certainly hope so. It is an end to which we have been working. It is one of the reasons why an advertiser uses advertising at all.

It would seem that the stocks of goods which Mr. Edison mentions, which have accumulated in the dealer's stores for the last five years and which are there yet, are due to the withdrawal of advertising. In other words, the real moral of the Edison experience is not that advertising does not pay, but that not advertising does not pay.

If the dealers were sold more merchandise than they could digest, wasn't that an error of

judgment on the part of the sales department? The proposed advertising was overplayed. The idea of advertising is comparatively simple. Make the consumer want your goods and buy them in sufficient quantities, and the dealer and jobber will take care of themselves. If you sell the consumer you need sell but once. If you fail to sell the consumer, and instead sell the jobber, and sell the retailer, there is danger that you will sell more than your small consumer demand can absorb.

Both honest men and sincere, and not a chance of one convincing the other, because, at least one of them knows all about advertising. For proof read again the opening paragraph.

As a discussion it should be encouraged. At least a hundred million people would find it interesting while the advertising profession feels certain it would be instructive.—H. S.

Solving Our Shipping Riddle

Topeka, Kans.,
Nov. 1, 1925.

To the Editor of NATION'S BUSINESS:

Am I thick-skulled, or why is it I can't make head or tail out of this merchant marine discussion? I read as much as the average citizen—newspapers, journals, and magazines, even the excellent NATION'S BUSINESS—but I am entirely at sea. What is the answer to the American Merchant Marine? Take five minutes off and tell me what is the real answer.

Yours truly,
(Signed) J. F. JARRELL.

NO, MR. JARRELL, you are not "thick-skulled"—unless we all are. When all men are equally puzzled, no one man can be the odd fish in the sea of doubt.

There are glib tongues aplenty to make quick answer to your question, but they will only tire your ear and offend your understanding.

The truth is that no one today has the answer. No single mind can comprehend the whole truth and knowledge of this nation's destiny on the seas.

But if we can't answer, we can at least make some acknowledgment to you with an examination of your question.

Such examination includes first, the relation of a merchant marine to our trade overseas and to defense in case of war. It includes an understanding of the part Government is to play in regulating such shipping and in administering its operation. It includes also the question of compensation—how we can help our ships to compete with ships which have government aid and whose standards of wages and living are lower. And finally it must include the disposal of our great government-owned ships.

Take a quick look at the first, trade overseas. What is the total sea trade? Our share? Ten years from today? Then, what is present world tonnage? What ship-building going on? What facilities? What is the trend of vessel types?

What are the main characteristics of our foreign trade? What kind of organization here and abroad is necessary to the shipping business? Banking connections, terminals—public and private, branch agencies, marine underwriting, tie-up with consular and diplomatic services?

What are our shipping requirements? Trade routes—present and future, exports and imports on each, kind of service required on each, liner and chartered types of vessels, extent of employment of foreign vessels in

the indirect trade of the United States, and possible development of indirect trade?

Then, what shipping requirements for defense in case of war? Naval, military? And don't forget the imports and exports required for national defense.

When we analyze the question so far, Mr. Jarrell, we have come only one-fourth of the way. There is the further problem of the Government's relation to the shipping industry, involving as it does international competition and the wide fluctuations of shipping operations.

Of course, you think of regulations first, because in the nature of things, the Government restricts but does not promote. What limitations, then, on the employment of ships, coastwise trade, ownership of steamship lines by railroads? Shall we allow owners to sell to foreigners? What labor regulations, eight-hour day? Only American-born? What restrictions on rate-making, conferences, rebates? What rules of registry and measurement, safety and inspection, taxation, entrances, clearances, immigration, quarantine?

Where shall administration rest—with a Board, Department of Commerce, Treasury, State, or Labor?

Not an Easy Matter to Answer

OH, you see, Mr. Jarrell, it is not such a simple matter to answer "in five minutes."

The next big subject is a knotty one: Government aid, with its challenge to find the facts on the relative costs of American and foreign shipping; and the different forms of government aid. Compare, please, our ship-building with that of England as to financing costs, construction costs, the effect of restriction on sales of old ships.

When you have done this, compare, please, ship operation as to fixed charges, overhead, repairs, duty on repairs done abroad, officers and crews, fuel and stores.

When we get this comparison worked out, not only as between the United States and Great Britain, but between the United States and twenty other countries, then we'll take up the simple little question of, "What form shall government aid take?" Shall we do it indirectly? Shall it be a construction loan fund, transportation of immigrants, tax exemptions, preferential rail rates, discriminatory duties, payment by the Government of part or all of ocean freights, preferential tonnage dues, preferential Panama Canal tolls, extension of coastwise laws to the Philippine Islands or freight zones?

Or shall we take the bull by the horns and

consider direct aid, such as a general subsidy based on tonnage, speed, mileage, or voyages? Or a combination of all?

Or subventions to particular trade routes, or mail subventions, or naval subventions, or naval reserve bounties?

When we get this far, Mr. Jarrell, we shall be making progress, but before we can get an answer for you there is something else we must consider. And that is, how shall we clear the decks in the present situation? What shall we do with our hundreds of government-owned ships? If we sell them is it to be an unrestricted sale, or a conditional-operation sale, or acceptance of capital stock as a part of the purchase price, or a profit-sharing contract of sale?

If we decide to go on with government operation shall our operation of charter policy involve unrestricted charter, or time—trip or bare boat basis—or management and operation agreements, or a pioneer policy on trade routes? On what arrangement shall this great corporation, the United States of America, compete with those of its stockholders who are operating ships as a livelihood?

Several minor points we have nearly overlooked, such as a comprehensive modernization policy, the Dieselization, the electric drive, and the use of oil as against coal in certain trades. And what shall we do with our unserviceable ships? Scrap them, sell them to foreigners, continue to lay up, or scuttle them?

You must, by this time, admit that our merchant marine is a complex question, that its solution will put the best statesmanship to a test.

We can promise you something, however. Some of America's ablest business men have put their heads together to find the answer to your question. They have been working in groups, one group for each of the four great elements of the general problem. Meetings have been held in different parts of the country, under the auspices of the United States Chamber of Commerce. The work of the four groups is to be coordinated, correlated. Ideas are to be pooled.

As I write this preparations are under way for these 100-odd men to meet in Washington and go over the recommendations of each group. The composite recommendation, I think, will be the best answer that we can find to the question. They have been enrolled in a patriotic service. They represent all sections of the country, and all industries. Their answer will appear in the next number of NATION'S BUSINESS.—THE EDITOR.

What Price Friction?

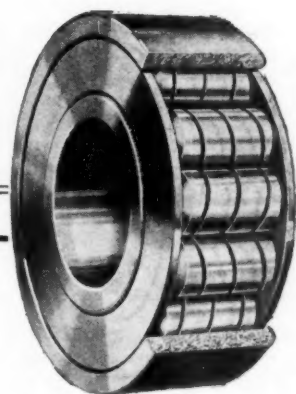
LIKE many seemingly unimportant and, therefore, all the more harmful agents of destruction, friction, apparently only a mild mischief maker, is a veritable parasite. It is responsible for expensive repairs and replacements, interrupted production and lowered output, increased costs and decreased profits.

But far seeing executives and engineers vanquish this agent of mischief with its rapidly mounting costs. In all phases of industry it is being put out of business by Hyatt roller bearings—*leaders among anti-friction bearings.*

In delicately adjusted motors, in much abused concrete mixers, under heavily loaded mine and railroad cars, in far roaming automobiles and trucks—wherever wheels turn, Hyatt roller bearings are giving steady, dependable operation at minimum cost.

Their thirty-five year record speaks for itself. And as time goes on, new uses and applications are being constantly determined by research and analysis where these Hyatt bearings can benefit industry and commerce by cutting the cost of destructive friction.

HYATT ROLLER BEARING COMPANY
NEWARK DETROIT CHICAGO SAN FRANCISCO
WORCESTER PHILADELPHIA CHARLOTTE
PITTSBURGH CLEVELAND

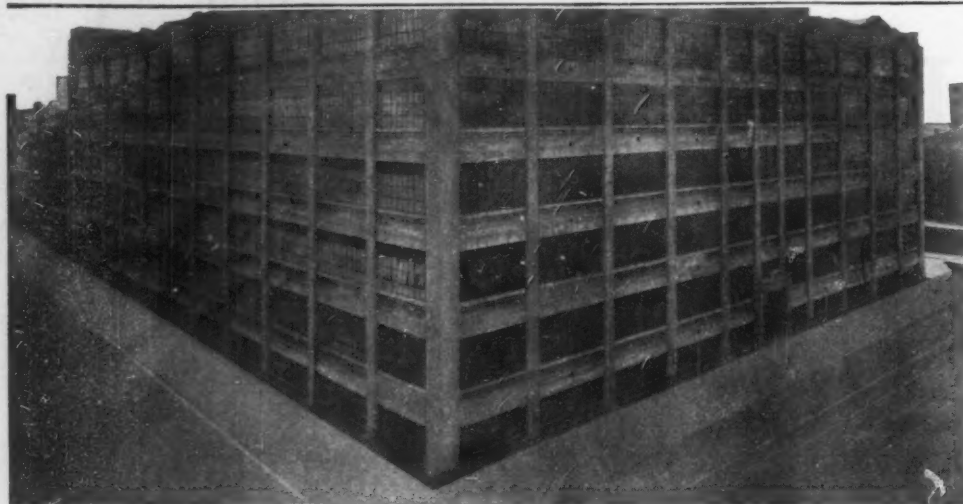


*Whatever your bearing problems or needs are,
it will pay you to consult the Hyatt engineers.*

HYATT

ROLLER BEARINGS

EVERY ROOF NEEDS INSULATION



The American Tobacco Co. Plant, Brooklyn, N. Y., where Armstrong's Corkboard has been effectively used.

Armstrong's Corkboard Reduces Heating Cost \$408.05 per Year*

THREE years ago, approximately 10,000 square feet of Armstrong's Corkboard, 2 inches thick, was installed in a portion of the American Tobacco Company's Park Avenue plant, Brooklyn, N. Y., to eliminate sweating on the ceilings and walls in cold weather.

According to Mr. H. Miller, chief engineer, the Armstrong's Corkboard holds in the heat so effectually that not only has the sweating been stopped entirely, but except on the coldest days, the heating system in this portion of the building is never used. Based on the records of former years, the Armstrong's Corkboard effects an average *net* saving in heating costs of \$408.05 annually, to say nothing of the increase in production due to the elimination of moisture condensation and the maintenance of more comfortable working conditions the year round.

Armstrong's Corkboard Insulation of the proper thickness will insulate a roof so effectually that the loss of heat through it is reduced to a minimum. Top floors can be made warmer and easier to heat in winter with a saving in fuel that will pay an attractive return on the insulation investment. And in summer the cork will be just as effective in keeping out the sun's heat, helping to make these same top floors as comfortable as the lower ones.

The use of Armstrong's Corkboard requires no change in the roof design. It is easily laid on wood or concrete decks, flat or sloping. It provides a firm base for standard roofings which are laid over it in the usual way. Armstrong's Corkboard is nonabsorbent of moisture and will not buckle or swell. Furthermore, it will not ignite from sparks or embers and does not smolder or carry fire.

ARMSTRONG CORK & INSULATION COMPANY
(Division of Armstrong Cork Company)
195 Twenty-fourth Street, Pittsburgh, Pa.

Branches in the Principal Cities

Armstrong's Corkboard Insulation

for the Roofs of All Kinds of Buildings



Trade Mark

Attacking Waste in Distribution

A CONCERTED attack by business men upon waste in business will be opened at a general meeting of the National Distribution Conference to be held in Washington, December 15 and 16, under the auspices of the Chamber of Commerce of the United States.

More than two hundred manufacturers, wholesale and retail merchants, economists, editors, advertising experts and representatives of trade associations and organizations, will weigh the methods by which transactions aggregating upward of \$50,000,000,000 annually in the United States, as variously estimated, are carried on. They will attempt to point out the practices which are unethical and economically unsound, constituting major sources of waste, and outline methods by which they may be eliminated.

Problems arising in the field of merchandise distribution, extending from the corner grocery to the large department store and manufacturing corporation, will be brought into relief in a series of surveys now approaching completion. These include the gathering and dissemination of statistical information looking to the stabilization of business, legislative and administrative questions involved in the governmental regulation of business, conditions under which business is now carried on and the costs of conducting various kinds of business.

The first survey is intended to lay bare the conditions which result in a business boom and slump, which have been characterized by Secretary Hoover as one of the most prolific sources of national waste. It will disclose what statistical information is necessary to stabilize business and act as a check upon inflation and deflation in production, buying and selling resulting in most cases from lack of adequate information.

The second survey brings to light unethical and uneconomic practices in business and will be accompanied by recommendations looking to the setting up and enforcement of ethical and economic business standards. Specific questions to be dealt with include unfair cancellations and returns of goods, misrepresentations and other practices which result in appreciable losses the cost of which is eventually borne by the consumer.

The third survey outlines the economic function of advertising in distribution in bridging the gap between production and consumption.

The fourth survey covers the wide range of costs that go to make up the expenses of doing business and account in large measure for the spread between the price received by the producer and that paid by the consumer. It will constitute, in effect, an analysis of the various items that make up the consumer's dollar.

The fifth survey is an analysis of the various methods by which goods are transferred from producer to consumer and deals with wholesaling, retailing, house-to-house canvassing, chain stores and other forms of distribution.

The sixth survey is a review of the legislation, both federal and state, affecting distribution. It will focus attention especially upon the effect of the anti-trust laws upon trade association activities and collective trade efforts to improve distribution and bring about economic reforms in industry.

The wide range of problems brought to light in these surveys will be submitted to the National Distribution Conference.

* The facts and figures given in this advertisement were secured by the A. C. Nielsen Company, Chicago, a firm of investigating engineers, who have made a survey of the performance of Armstrong's Corkboard in the American Tobacco Company's plant. Their report, certified by the chief engineer of the plant, is well worth reading and a copy will be sent on request.

Get all that's due you from your package dollar



This man
KNOWS packages

and he can help
you make money
as well as save it.
He wants to serve
you as *package
counsellor*. Read
about him in the
central panel and
then tell him to
call.

THERE is a man who is ready and anxious to tackle that job with you—he is simply waiting your invitation to come to your place of business, study your shipping needs, your packing methods, your present shipping packages and the regulations governing freight and express shipments of your merchandise.

He is thoroughly qualified, after his study is completed, to tell you whether there are any opportunities open to you for saving money by changes in methods or packages.

To prepare himself for the service he will render you, he first went through an extended training in the making of packages in a plant of the world's largest producer of corrugated fibre shipping boxes and packing materials, and followed that training with a period of actual designing

of packages, under expert supervision, in a package-engineering laboratory.

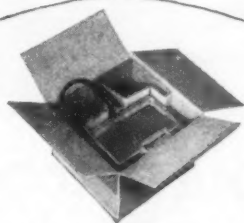
Forty such men—Hinde & Dauch Package-Engineers—from twelve Service Offices

are covering twenty states, giving this service to shippers of merchandise. Each year more than 4000 buyers of shipping boxes benefit by it.

It costs you nothing to expose your packing methods to his expert scrutiny and his fertile package-imagination—if he can't better your system nor cut your costs, he will frankly tell you so and no harm will be done. If he sees a possible improvement in system, he will report it. If he sees a possible improvement in your package, the first sample of the new box will be yours at no cost, with our compliments. Let us give you a detailed picture of this service and how it works—write or use the coupon.

The Hinde & Dauch Paper Co.
304 Water Street Sandusky, Ohio

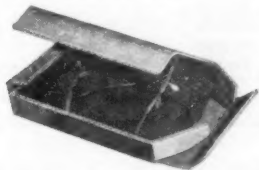
Canadian Address:
Toronto: King St., Subway and Hanna Ave.



Radio and electrical merchandise, H & D-packed, goes to its destination undamaged and is easiest for your customers to handle on arrival.



Shippers of drugs and foods make a wholesale saving in packing and shipping room space by using H & D Boxes.



A sweater or an auto bumper, a percolator or a smoking stand, an art calendar or a nest of glass reflectors—it doesn't matter. H & D Package Engineers will design the proper shipping container.



CORRUGATED FIBRE SHIPPING BOXES

SEND TODAY FOR
FREE BOOK

THE HINDE & DAUCH PAPER CO.
304 Water Street Sandusky, Ohio

Check service you desire

☐ Please send free book, "HOW TO USE H & D FREE SERVICE."

☐ We would like to talk to an H & D Package Engineer.

Company Name

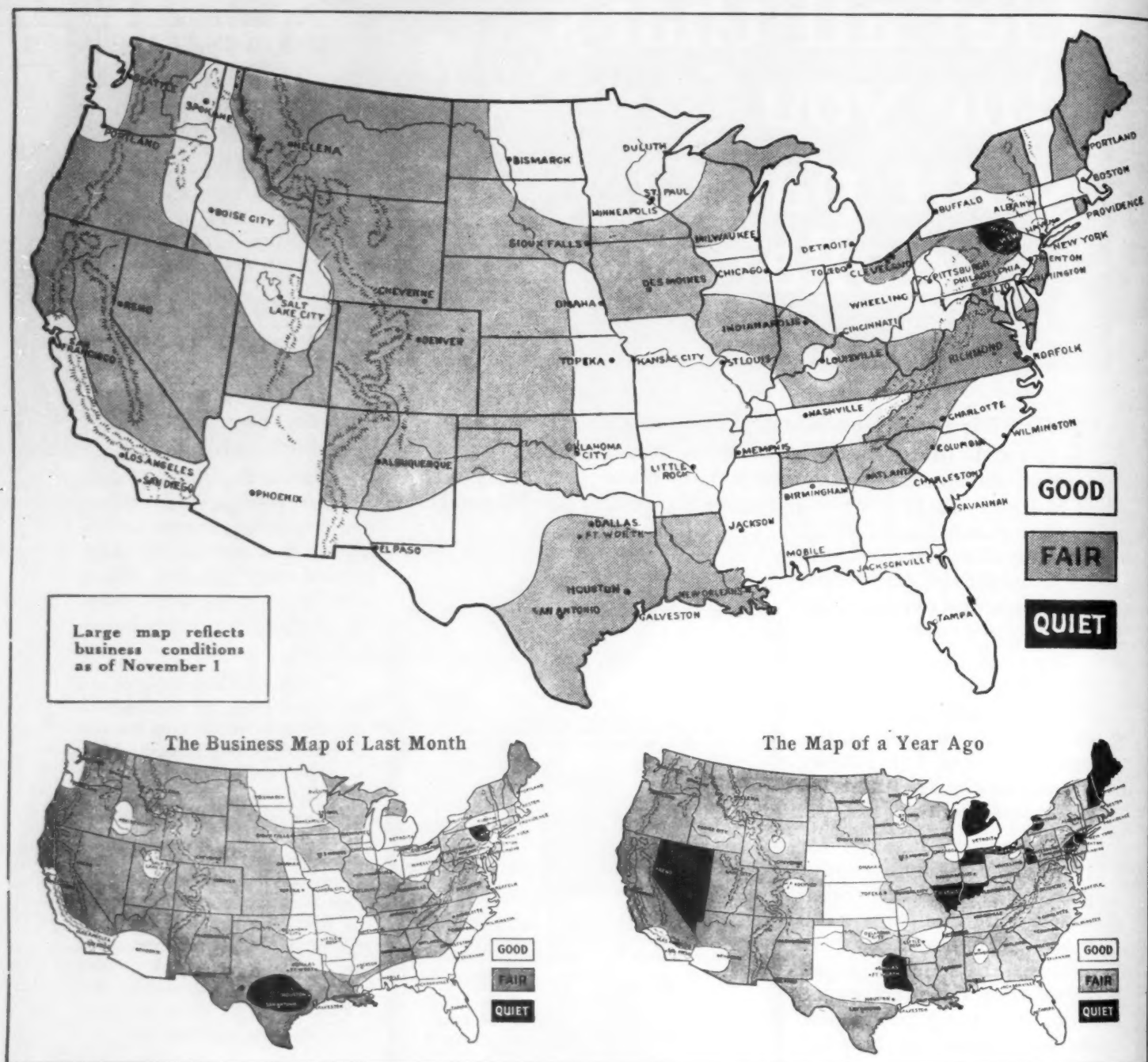
Name of writer

Address

City

State

The Map of the Nation's Business



By FRANK GREENE

Managing Editor, "Bradstreet's"

SO MUCH happened in October and so many new records or near records in trade and industry were set up that a compiler of business chronicles finds it hard to single out the outstanding features.

If an attempt at general characterization is to be offered, it might be said that the month saw a great surge forward in a number of lines, trade, speculative and industrial, making a picture of autumn activity not equalled since that fateful October of 1912 which saw the outbreak of the Balkan Wars which were curtain-raiders for the Great War of two years later.

October this year, however, differed from the same month of 1912 in at least one re-

spect. It saw a perfectly good, though small, Balkan War sidetracked.

A short summary of October's notable happenings might well include the sharp uplift in retail trade for which cold stormy weather was responsible; the continuance of activity in the stock market with unprecedented levels reached in industrial stocks; the writing of new high records in bank clearings and debits, far in advance of anything previously noted; the practical setting up of a new record of car loadings, two months after those of all past years had been broken; a continuance of the ebb in the tide of failures and liabilities; a new high monthly record of automobile output; a big break but a sharp recovery early in

November in cotton prices and an approach to war-time prices for some foods, notably potatoes, the harvest of which was interrupted by a widespread cold wave with snow in northern latitudes.

One of the standbys in fall trade reporting in normal years has been "warm weather is retarding retail trade," but this ancient complaint has been absent so far this fall. Perhaps the coldest, certainly the "snowiest," October in years in northern latitudes laid that doleful complaint away for a time at least, perhaps for the year. In place of this seasonal complaint there came cold weather and a month helpful to all retail distribution in northern areas at least, allowing of the set-



"The greatest economic development ever inaugurated in the industry"

—Jordan

THIS economic development in the automotive industry is being paralleled in many other lines. The trend of public demand is building business for those manufacturers and merchants who have the courage, vision and initiative to make and aggressively market things which serve the public to better advantage when made of steel.

You will be interested in our attractive booklet, "THE SERVICE OF SHEET STEEL TO THE PUBLIC."

Ask for a copy.



The clothes dryer has made the laundry a one-day and one-room task.



What housewife doesn't prefer the snow-white beauty of Sheet Steel kitchen cabinets.



Furniture of Sheet Steel is bringing greater efficiency and safety to business and home.

SHEET STEEL
TRADE EXTENSION COMMITTEE
OLIVER BUILDING
PITTSBURGH PENNSYLVANIA

When writing to SHEET STEEL TRADE EXTENSION COMMITTEE please mention Nation's Business

ting up of new sales records by mail-order houses and some chain stores.

The cold weather of October started lagging users of fuel into action. Lacking the usual 1,800,000 to 2,000,000 tons weekly of anthracite, the seekers after heat bought freely of bituminous coal, of coke, and of oil, the result was that bituminous output in the last week of October almost equalled the heavy weekly production of early January this year, 12,575,000 tons.

Bank clearings and for that matter total debits, have always been open to the imputation of reflecting speculative movements in stocks, real estate or other lines, but the new high total recorded in clearings in October did not owe its size to any new big aggregate being set up at the country's great speculative center, New York. The month's total at the latter city was not as large as was that of January whereas the grand total for the other cities for the first time in the country's history exceeded \$20,000,000,000, an increase of about \$1,500,000,000 over the largest hitherto recorded.

Perhaps the most significant features in industrial lines were the accession of strength in buying of iron and steel with advances in these products and in most other metals, the new high monthly total of automobile cars and trucks produced and the taking out of permits for a total of building in October never before reached so late in the year.

October sales of stocks on the New York Exchange, 53,423,323 shares, broke all monthly records exceeding those of October, 1907, by 6,000,000 shares. This latter month's activity, however, resulted from panicky throwing over of stocks at declining prices, whereas the month just closed saw prices rising with industrial stocks monopolizing the bulk of the gains. The year's sales, of course, have set up a new total but bond sales for October and the ten months fell below last year and also below 1922.

While the general level of commodity prices as of November 1 showed a gain over October 1, it was 7.2 per cent over November 1 a year ago and at the highest point since November 1, 1920.

Car Output Advances Rubber

GRAINS, metals and miscellaneous products monopolized most of the rise in October. The declines in live stock and provisions were due to weakness in hogs and their products while in the case of the decline in cotton and cotton goods, the publication of the government estimate of 15,226,000 bales for the crop offset gains in most other textiles.

The big rise in miscellaneous products was due mainly to the advance in rubber, reason for which is no doubt to be found in the estimated output of 454,000 automobile cars and trucks in October, a total 60 per cent larger than a year ago in the same month. Continuance of any such output as this would, of course, make 1925 surpass the record year, 1923, when more than 4,000,000 cars and trucks were turned out. Of all the price advances shown none was more marked than were those recorded by coke for domestic fuel and the plebeian potato which doubled in price in about three weeks of October.

Car loading statistics this year have been of special interest because they have foretold considerably larger railroad earnings. This year there seems likely to be presented the rare happening of car loadings making two high "peaks" in one year. Late in August with the prospect of the stoppage of anthracite mining there was a rush of coal buying and despite light grain marketing total loadings reached the highest point about two months ahead of normal.

In late October with the call for soft coal and coke resulting from the cold weather, the number of cars loaded in the week of October 24 rose to 1,121,459 as against the former peak of 1,124,436 reached in late August and last year's peak of 1,112,345 cars in late October.

September gross railway earnings, \$565,451,808, were the largest of any month since October a year ago and 4 per cent ahead of September last year. Net operating income in September, \$134,584,915, exceeded September a year ago by 24 per cent and has been only twice exceeded in nine years and then in July, 1918, and August, 1920. Car loadings this year to date exceed those of 1924 by 5.5 per cent and of 1923 by 1.6 per cent. Gross railway earnings for nine months exceed 1924 by only 3.6 per cent but net operating income is 17.3 per cent larger.

Least the frequent use of the words records, peak, etc., should give rise to some erroneous impressions it is perhaps well to state that all lines of trade and industry have not set up new high records of late. Some dry statistics as to the year's record may not be amiss here. Mail-order sales for ten months this year are 15.2 per cent ahead of 1924, chain-store sales are 12.9 per cent larger and the two combined are 14.2 per cent ahead of a year ago. Department store sales showed a gain of 16.1

per cent for October as against a gain of only 1.8 per cent in September but the gain for the year will hardly run over 5 per cent.

Wholesale buying is not as easily measurable but that it has been larger than a year ago to date goes without question. Stock market sales are 82 per cent larger than a year ago but bond sales are 5 per cent smaller. Bank clearings for ten months of the year are 13.5 per cent ahead of 1924, the hitherto peak year. Failures are 3.4 per cent below 1924 and liabilities are 35 per cent less.

In industry pig iron production is 17.5 per cent ahead of 1924 but 12 per cent below 1923. Steel ingot output is 22 per cent ahead of 1924 but 3 per cent below 1923. Cotton consumption for nine months is 20 per cent larger than in the like period of 1924 while cotton exports for the season so far (three months), are 19 per cent ahead of last season's large exports. The gain in cotton exports in quantity so far offsets the decrease from a year ago in price. Production of automobiles for ten months exceeds that of 1924 by 13.5 per cent.

The anthracite coal strike, the only important labor conflict now on, still drags its length along. No sign of the soft coal miners or the coke makers who are profiting by the strike, coming to the aid of the hard coal miners is yet visible.

Mr. Roberts Closes a Discussion

TO the Editor of NATION'S BUSINESS:

Mr. Clause in his communication in the November issue of *NATION'S BUSINESS* thinks I have not made clear that Germany will be able to make reparation payments, or that the European borrowers who are now procuring capital in the United States will be able to repay these loans. The reason for his doubts on this subject, if I understand him rightly, is not that they will be unable to produce the required wealth but that they will not be able to transfer that wealth to the creditor countries.

The wealth-producing capacity of all the countries which use modern machinery is increasing very rapidly.

The capital borrowed in this country is being used mainly for productive purposes and the borrowers confidently believe that it will increase the supply of available wealth in their possession by more than enough to meet the obligations they have assumed. The bankers who are handling the loans believe this confidence is well-founded. I do not understand that Mr. Clause doubts the productivity of these investments, but only that the newly created wealth can be transferred to this country.

Even if he is right about this, it does not follow that the capital is wasted or that the individual investors will not be able to derive benefits from their investments. The individual investor who never intends to consume his principal does not care for actual payments. A going corporation does not pay off and retire its capital. Individual stockholders may part with their holdings, but somebody takes them and pays for them. The eastern and New England states have invested great sums in the development of the West, and those investments probably never were greater than they are today. Great Britain has invested great sums around the world, and never will cash in those investments in the sense of taking the proceeds home, because they probably always will pay better elsewhere.

Nothing is more certain than that the United States is started on a like career. These investments are not all in the form of loans.

I read the other day an advertisement of bonds issued by the Union Carbide Company to finance the improvements of a water power in Norway. A few days ago announcement was made that the Anaconda Copper Company had taken an option upon the most important zinc mines in Europe. And so the story goes from day to day.

All we need to do is to realize that the world is becoming one economic field, and that enterprise and managerial genius will play all over it, and use capital wherever it will yield the best returns. Investors will not worry about getting their capital home if it is multiplying wherever it is faster than it would here.

The position of the United States is like that of a rich man whose income constantly provides new capital for investment. He cannot consume it. The beneficent economic law requires that if he would use it he must part with it: He must return it to industry, using it for the general welfare. So if the United States increases in wealth faster than other countries it is inevitable that streams of wealth shall flow out into the parched and suffering regions to fructify them. If no man liveth to himself alone, no more can any country do it.

It is contrary to both the moral and economic law—which are one and the same—that this country should keep its growing wealth closely confined within its own boundaries. As well talk to the people of New England about keeping their wealth within New England, and to the people of New York about confining their investments to New York. New York prospers and the country prospers, by the free flow of capital, and a principle which is true within the imperial area of the United States is true the world around.

If these foreign investments are soundly made, the owners will not be impoverished and will find a way to realize the returns, and if this country contributes to the prosperity of the world it will have its full share.

GEORGE E. ROBERTS,
Vice President, National City Bank, N. Y.

PACIFIC NORTHWEST



Alaska's millions today and her billions of tomorrow must move through our Alaskan doorway, the ports of the Pacific Northwest

Watch ALASKA!

The United States bought Alaska for \$7,200,000 in 1867.

Since that time Alaska has exported products worth 140 times its purchase price.

Last year it exported commodities valued at \$67,846,000 and imported goods worth \$30,567,000.

But Alaska has only begun. It has 20 million acres of merchantable timber, and coal resources estimated at 150 billion tons. It has 100,000 square miles of good farm lands, and fisheries now producing 40 to 50 millions of dollars annually. Its metal, min-

eral and oil resources cannot be estimated.

The gateway to this vast, scarcely touched treasure land is the Pacific Northwest.

The ports of Washington and Oregon are the channels through which by far the largest part of its commerce has flowed in the past—and will flow in the future.

The development of Alaska, now being pushed in earnest, will add billions to the trade volume of the Pacific Northwest ports. For the Pacific Northwest is and must be always the market place of Alaska.

The Chicago Burlington & Quincy R.R.
The Great Northern Ry.
The Northern Pacific Ry.



When writing to the above railroads please mention Nation's Business

The Job of Being Very Rich

A Social-minded Englishman, an Ex-member of Parliament, Records Some Impressions Left on Him by John D. Rockefeller, Jr.

By P. W. WILSON

DURING the seven years which I have devoted to a study of actual life in the United States, I have had many memorable experiences, but none more stimulating of thought than what, in the movies, is called a "close up" of the younger John D. Rockefeller.

To me, as to the rest of mankind, he had been a name only; here was the man himself, in his home, his automobile, his office down Broadway; the richest man in the richest country in a world which, despite all wars, is richer today than ever the world has been before.

If Adam really was born six thousand years ago and continued living today and earned ten dollars a day in the meantime, the total of his wages would not equal the income of John D. Rockefeller, Jr., for a single year. And here, as I say, this man sits in his chair, in a paneled room, without a courtier, without a crown, talking face to face with this present writer.

Fortune Entirely His Own

BETWEEN John D. Rockefeller and Midas and Croesus and Solomon there is this vital difference. He is a private citizen; they were monarchs. This distinction means that they derived their revenues from taxing trade. The revenues of the Rockefellers come from trade itself. More than that, a king is never as rich as he seems, for he can't spend money as he pleases. The "civil list" of King George of Great Britain is largely allocated to the upkeep of palaces which belong not to him but to the nation, and even his "privy purse" or domestic allowance is absorbed by the cost of ceremonies from which he can escape only by abdicating his throne.

Mr. Rockefeller's fortune is entirely and unreservedly his own. The individual in this country is still, at least in theory, left at liberty by law to do what he likes with his own. He is free either to squander it or to save it. He may, if he likes, break the bank at Monte Carlo, win the Derby in England, defend the 'America cup against Sir Thomas Lipton,

finance opera, dig out tombs in Egypt, or build a skyscraper church for Dr. Fosdick. The decision lies wholly with himself.

This apparent and, as I shall point out, illusory liberty seems to be the more absolute because Mr. Rockefeller is the citizen of a republic which has abandoned hereditary titles. In England he would have been a peer of the realm. Here he is neither judge, colonel, doctor nor honorable. He holds no place as congressman, senator, ambassador or governor of a state. Excluded by what may be regarded as an unwritten rule, he is out of politics, as the word is usually defined. At no convention and in no primary does his name so much as appear for nomination.

Yet Mr. Rockefeller did not strike me as a man free from the burdens of life. He has an irresistible smile and kindly eyes. But his is also a square jaw, indicative of unshakable determination, and he gives you the impression of living under a weight. He is, as it were, seldom if ever off duty. He has to consider, moment by moment, what he does, what he says. He has to beware of impulses. The etiquette to which he submits may be less elaborate than a king's but it envelops him as closely.

For suppose he had lived in a log cabin. Does anybody imagine that the world would

have let him alone? His own account of his career is simple.

He says that his father, for whom he cherishes a profound reverence and affection, taught him one simple lesson, namely, that the whole of a man's property, be it much or little, is not his own but held on trust for "God and my neighbor." This ideal of trusteeship is, with Mr. Rockefeller, an obsession.

The Discipline of Poverty

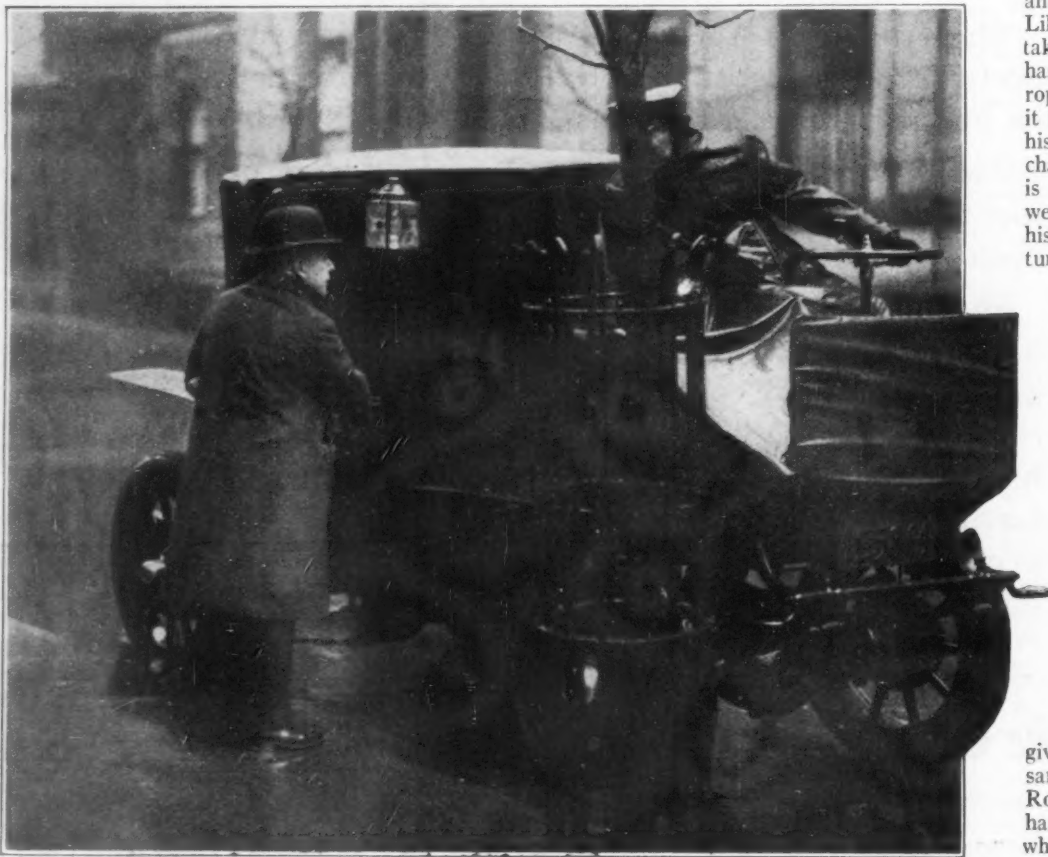
MONEY is to him not a sin but a sacrament. In every several cent, he sees the symbol of human effort in the past. And he holds that the debt should be repaid to mankind in the provision for a more abundant happiness. To what extent he has been able to carry out these aims it will be for history to judge. Of the famous conciliation scheme in the Colorado mines, the Russell Sage Foundation gives an account, in which success is damned with faint praise. But the time has passed when people question Mr. Rockefeller's sincerity of purpose.

He has, indeed, accepted the discipline usually associated with poverty. No clerk in a drugstore, no cashier at her register has to "keep tabs" on routine with a more rigid exactitude than the exactitude to which daily and hourly Mr. Rockefeller subjects his

habits, his duties and his inclinations. Like others, he takes a holiday. He has traveled in Europe, in Asia. But it is not liberty that his wealth has purchased for him. It is not leisure. His wealth has become his work. His fortune is his fate.

And any increase in that wealth means overtime.

For the business to be transacted is benevolence, and with that business, as with others, one trouble is to maintain the output. To give away ten dollars where ten dollars is really needed takes as much time and trouble as to give away ten thousand dollars. Mr. Rockefeller has to handle his gifts wholesale, and in order to mobilize his disbursements, he has summoned to



© P. S. A. PHOTO, N. Y.

John D. Rockefeller, Jr., prefers to ride to and from his office, not in an up-to-date, high-powered limousine, but in a well-worn electric which even now may be included among the antiquities of the twentieth century. It is one of the few cars in New York which is innocent of gasoline



Not only a pressure gauge but a safety-valve too.

Pressure gauges are used on steam boilers to show when the pressure is getting dangerous. But in addition, a safety-valve lets off the steam if the operator becomes careless.

The Hartford Fire Insurance Company's Fire Prevention Engineering Service is like a safety-valve for fire in your plant. Fire dangers lurk everywhere and though you may fail to notice them, they cannot escape the trained eyes of the Hartford Fire Prevention Engineers. At your request an expert will go over your fire hose, operate your fire doors, test your extinguishers, study your watchman system, examine your "housekeeping", look into the handling of your products or combustible material. This service is free. You pay the regular rate for the indemnity against loss represented by a Hartford policy. But you pay nothing for this desirable fire prevention service.

Ask the nearest Hartford Agent to put you in touch with this service. If you do not know the agent's name, write to the

HARTFORD FIRE INSURANCE CO.
HARTFORD, CONN.



The Hartford Fire Insurance Company and the Hartford Accident and Indemnity Company write practically every form of insurance except life

his side a large staff of assistants whose ability is undoubted. Giving is thus an art that requires as much skill as getting.

Strictly, his interests did not come to him by inheritance but by gift. It is an astonishing fact, but none the less the strict truth, that when the younger Rockefeller entered into his father's office and, after college, began to interest himself in his father's business, not a line in writing defined his position; and not a word of instructions, direct or indirect. His father's trust in him was absolute, and he honored the son's drafts to whatever amount they might be drawn.

Never Before Such a Gift

NOR AT any time has there been a syllable of misunderstanding between the two men. On the contrary, the elder Rockefeller, in due course, stepped from his throne, proceeded to play golf and transferred the bulk of his investments to his heir. And in the annals of our race, never has there been recorded a gift comparable with this gift in magnitude and complexity.

The comradeship between father and son still continues. In any matter of difficulty, the elder Rockefeller is consulted by the younger. About the advice of this alert octogenarian there is a rare and invaluable quality. If anything goes wrong, he wastes not one single syllable. His mind at once becomes constructive. And he asks, "What is best to be done?"

For the son to have refused the proffered realm of opportunity would have been unthinkable. A graduate of Brown University, he was not one to "quit" the post of difficulty.

But think what the yoke of wealth has meant. Surrounded on every side by Mammon, it is not easy to serve one's neighbor alone. Not a day dawns that John D. Rockefeller can call his own. Correspondence, appointments, conferences, discussions—these fill in every hour. For the gifts, when they are announced, there can be no gratitude. In money, they cost the giver nothing; and the public knows little of what they cost in time and thought. Mr. Rockefeller's task is of necessity a thankless task.

Even to those who know him well, his demeanor is a constant source of surprise. His is undoubtedly a well-equipped office on lower Broadway. The view of the harbor is

delightful. The desk is as good as money can buy. At a touch of the organ stops near his hand, doors silently open, secretaries glide through unsuspected doors, papers are produced by magic, and soft voices answer questions that have arisen.

Then, when it is time to "call it a day," the man himself gathers up the documents that have yet to be dealt with, exactly as if he were leaving a lecture at college; himself puts on his

coat and hat, and loaded with bundles of manuscript, descends the usual elevator to the pavement.

There awaits him his favorite car, an old and well-worn friend, which even now may be included among the antiquities of the twentieth century. What endears this car to Mr. Rockefeller is not its graceful outline or the latest conveniences but the fact that it is one of the few cars in New York which is innocent of gasoline. Its power is electricity, which Mr. Rockefeller prefers because it is quiet.

Boys and girls do not always display a becoming respect to passing phenomena, and the artist of the distant future doubtless will find an inspiration in the picture of the world's richest man arousing the frank comments of childhood by the modesty of the vehicle in which he passes through their midst.

For to Mr. Rockefeller the widow's mite matters as

much as his own millions. He never forgets how his own father had once to count the cents. That is the secret of his reverence for the dime and the nickel. As a student, Mr. Rockefeller lived within his allowance, and, in order to do so, would take his gloves to the cleaner instead of buying a new pair.

He is not mean or miserly, but he is precise and accurate, and in this tradition he is bringing up his children.

They get their pocket money well within the average allowance for young people of their age, and the pocket money is received on condition that they render weekly an account of every item disbursed. A correct balance is rewarded by a few cents bonus. An error is penalized by a corresponding deduction.

That he is lovable has long been recognized by the very critics of his fortune themselves. About his Bible class there is not and never has been any bunkum. People have belonged to that class not for the sake of "loaves and fishes," but as comrades and crusaders.

At home, Mr. Rockefeller is perpetually yearning to forget the millionaire in the man. I have never seen a host so meticulously polite to his guests, whoever they may be. That each shall be suitably

seated, that each shall be duly served, that each shall be welcome, is his care. And you would imagine from observing all this that he had no other care in the world.

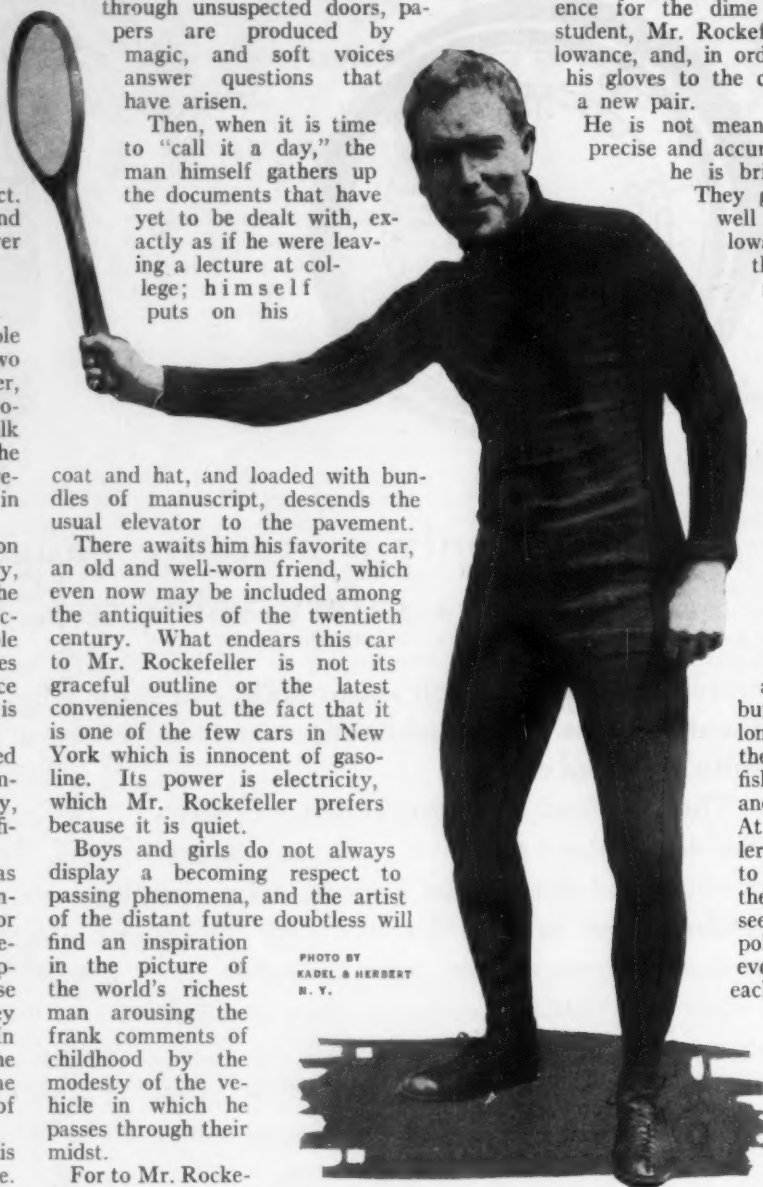


PHOTO BY
KADEL & HERBERT
N. Y.

The world's richest man at play, an unusual picture of John D. Rockefeller, Jr.

Tariff Amenities in Practice

THE PROTOCOL of the Commercial Treaty concluded last December between Great Britain and Germany introduced an innovation into the conventional procedure of treaty making that, by its very novelty, occasioned a good deal of comment—most of it favorable. The gist of this protocol was an engagement, by the contracting parties, to observe the spirit as well as the letter of the treaty, and an agreement "not to impose, reimpose, or prolong any duties or charges which are especially injurious to the other party."

There was a further undertaking by each party, "when modifying its existing customs tariff and fixing future rates of customs duty as far as they specially affect the interest of the other party, to take due regard to reciprocity and to the development on fair and equal terms of the commerce of the two countries," with a provision that "should either of the two contracting parties be of

the opinion that particular rates of customs duty fixed by the other party are not in accordance with the above undertaking, both parties agree to enter immediately into verbal negotiations."

So far, so good. But at the risk of blasting fond hopes that everything can be all fixed up by conventions and protocols, let us have a look at current observations on the working of this arrangement in the two countries that were so recently exchanging reciprocal assurances of consideration and esteem.

Our morning's mail recently brought us an issue of the *London Times Trade Supplement*, and another of the *Deutsche Wirtschafts-Zeitung*, organ of the important national German commercial association, the *Deutscher Industrie- und Handelstag*.

A front-page item in the former publication commented in emphatic language on the difficulties which British manufacturers of textiles and automobiles could expect to en-

counter by reason of the duties imposed in the draft of the new German customs tariff, and recalled the terms of the protocol, particularly that provision whereby the "German Government agreed to take full account of the favourable treatment accorded to German goods in the United Kingdom," adding that this latter "scarcely accords with the proposal to raise the duties by from 100 to 300 per cent on a number of textiles and yarns."

The German publication, under a heading foreshadowing "Storm Clouds," points significantly to the re-imposition of British duties on the products of various "key" industries which in certain instances—notably clocks and watches, and musical instruments—it claims "are directed exclusively against Germany and are difficult to reconcile with Section II of the protocol, according to which no duties are to be imposed by either party which are particularly injurious to the other."

All of which proves . . . ?

Kansas City's Industrial Opportunities center in FAIRFAX



Fairfax Facts

- 1** Contains 1,282 acres.
- 2** Low taxes.
- 3** At the present stage of development it has 4 miles of 24-foot concrete streets, water and gas mains, storm and sanitary sewers, electrical lighting and power facilities.
- 4** Six miles of trackage, the first unit in a network of thirty miles of railroad tracks.
- 5** Residence districts immediately adjacent and within walking distance offer an excellent supply of labor.
- 6** Cost of present improvements, more than \$1,500,000.
- 7** Planned to give maximum service to the manufacturer.
- 8** Within one mile of Kansas City, Kansas, business district, within 3 miles of the Kansas City, Mo., business section, within 2½ miles of the freight house district.
- 9** Direct rail connections with all lines.

Fairfax sites offer the manufacturer the lowest first cost and minimum operating cost in Kansas City.

KANSAS CITY industries serve a market of 20 million people. It is one of the greatest consuming areas of the nation, its boundaries extending north to include Iowa and Nebraska, west to include Wyoming and Utah and south to include Louisiana, Texas and New Mexico.

Transportation facilities and rates combine to make Kansas City the logical market center.

Here, too, are raw materials and fuel in abundance . . . two-thirds of the nation's oil supply . . . coal and electricity for power in plenteousness.

Manufacturers now serving this Kansas City territory from a distance may discover, on inquiry, certain distinct advantages of economy in distribution from plants or branch houses in Kansas City . . . in lower manufacturing overhead and in lower distribution costs.

We Offer You An Individual Survey

Your future interest in The Fairfax Industrial District, center of Kansas City industry, naturally depends upon the economical value of distributing your product to these 20 million people from Kansas City.

A practical, comprehensive booklet, "The Kansas City Market," has been prepared for distribution to executives of substantial companies—an intimate and thorough study of this market from the standpoints of consumption and distribution.

Interested executives are invited to write for this booklet, which should be in the possession of every growing manufacturer.

The Kansas City Industrial Land Company
219 Railway Exchange Bldg. Kansas City, Missouri

Facts About the Kansas City Market

Has one-fifth of the nation's population.

—one-eighth of the nation's bank deposits.

—one-third of the nation's crops (in value).

—one-third of the nation's livestock (in value).

Produces one-fifth of all manufactured and farm products.

Owens one-fourth of all the country's motor cars.

Has one-fifth of all retail stores.

Occupies nearly one-half of the total area of the United States.

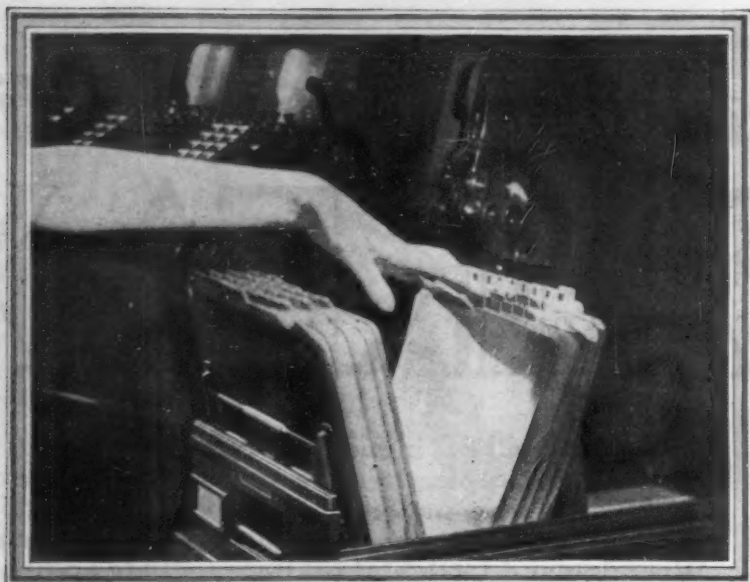
Average value of property per farm nearly \$5,000 greater than the average for the United States.

Includes more than one-fourth of all the nation's farms.

Buys one-fifth of the country's food supply.

A Prominent Investment Banker Says:

"Kansas City is the center of a large consuming territory . . . has many raw materials within convenient reach . . . has a splendid radiating transportation system . . . in fact, seems to have all of those natural factors to make an attractive location for industry."



TWO WAYS it cuts bookkeeping costs

*First—the L.B. Card ledger saves bookkeepers costly time
Then , , , it reduces mounting office overhead*

DID you ever figure out the exact cost of a bookkeeper in your office?

To begin with, there is the salary.

But actually you pay much more than that. You pay for rent, light and heat. You pay the cost of supervision. You pay interest and depreciation on the bookkeeping machines. It is these overhead costs that make the total cost of each bookkeeper easily double, sometimes treble the actual salary.

It was to offset the high cost of bookkeeping in modern offices that Library Bureau designed the L.B. Card ledger. It is today the most widely used ledger for machine posting and the most economical.

Cuts bookkeeping costs

Durable L.B. Ledger cards are specially made and thoroughly tested to meet the exacting needs of machine posting. Their firm edges slide smoothly through the bookkeeping machine times without number, never wrinkling or jamming in the machine.

With the L.B. Card ledger, bookkeepers can lo-

cate, machine post and replace an account so rapidly that 10%, 30%, and even 50% increase in bookkeeping efficiency is effected. Overtime becomes a thing of the past and frequently the department can operate with fewer clerks and less overhead.

Speedier daily balances

The L. B. Card ledger tray has the famous drop-side and offset feature. Any account card can be easily read to the bottom line without removing the card.

As the bookkeeper posts accounts he can leave them offset until his daily balances are proved. Then, with but a slight touch of the hand, he can put them back without having to lift, pull or twist them.

If you are using, or about to use bookkeeping machines, it will pay you to test, by actual demonstration, the efficiency of the L.B. Card ledger at the nearest of our 54 salesrooms.

Or write for booklet which explains and illustrates the economies you can expect from this ledger.

Six Big Divisions of L.B. Service to Business

1. **Card Record Systems**
Vertical and visible systems for every card record requirement.
2. **Filing Systems**
L.B. Automatic Index, Alphabetic, Geographic, Numeric, Subject, and the Russell Index.
3. **Equipment, wood and steel**
Card and filing cabinets, card record desks and record safes.
4. **Cards and Filing Supplies**
Cards, Guides, and Folders for every card and filing system.
5. **Specialized Departments**
Bank, Insurance, Public Records, Library and Educational.
6. **Special Services**
Analysis, Indexing, Statistical.

Home Office: 230 Albany St., Cambridge, Mass. Salesrooms: in the 54 principal cities of the United States, England and France. Factory: Cambridge, Mass., New York, Chicago, Ill., N. Y., New Orleans, and London, England

Library Bureau

Founded 1876

L · B · CARD · LEDGERS · · · THE · CHOICE · OF · AMERICAN · BUSINESS

When writing to LIBRARY BUREAU please mention Nation's Business

How Foreign Trade Settles Debts

To the Editor of NATION'S BUSINESS:

Referring to article by George E. Roberts: Won't you have one of these "high brows" explain to a financial ignoramus what exports or imports to and from individuals or firms have to do with debts of one government to another?

England owes United States, say a million dollars. How does England pay the debt because her people trade with the people of the United States? What's the process? "You know all, see all." Thank you.

IGNORAMUS.

Don't sign my name because I steal NATION'S BUSINESS out of mail before my boss knows it's here.

YOU MAY call yourself an ignoramus. But you know enough to ask embarrassing questions. A professional economist would reply in a 486-page treatise. We'll try to answer in a column.

Money isn't value. It only represents value. It is something we can trade for goods we want, or use to pay for work we want done for us. If Farmer Robinson hasn't the money to pay Farmer Jones what does he do? He gives him a pig or he works it out hoeing corn. Nations are only aggregations of Joneses and Robinsons.

Why does England owe us money? Not because we shipped her a couple of cargoes of gold. She owes us money because, during the war, John Smith in Omaha shipped wheat to Liverpool, John Smith out in Seattle shipped lumber to Southampton, John Smith in Kansas City sold horses to the English Remount. Our shipping companies carried goods to England that had been sold by a thousand and one American firms. All this had to be paid for; but England did not have the cash. So our Government said, we'll take the money borrowed from our people through the Liberty Loan and we'll pay these bills and charge them to your account. That's how the debt arose. It doesn't represent a single financial deal. It represents thousands of individual transactions in which thousands of American firms and individuals played a part.

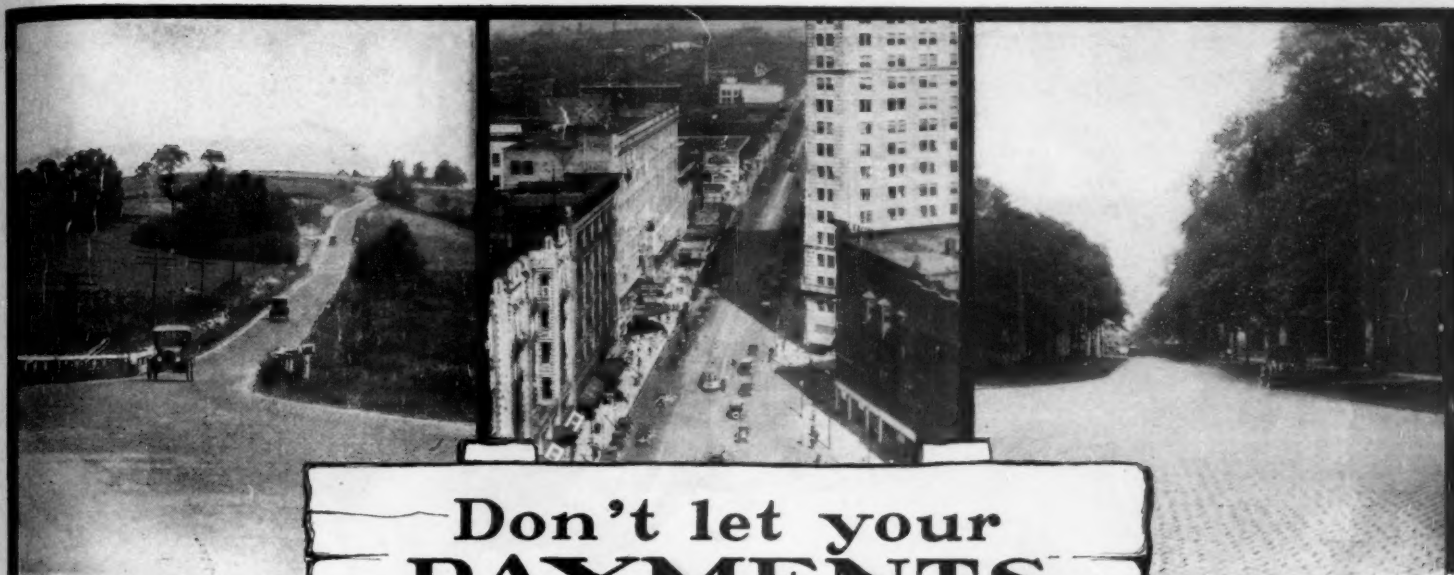
How is England going to pay back what she owes? Obviously by just the reverse process. There is no other way.

She will ship us goods. A woolen manufacturer in Leeds is going to sell a lot of blue serge to Hart, Schaffner & Marx. A pottery manufacturer in the Five Towns is going to sell a consignment of dinner plates to Marshall Field. She will do work for us. A British tramp steamer will carry a cargo of American wheat to Italy. Lloyds will insure an American shipment to India. The Westminster Bank will handle a transfer of money to pay Russia for a shipment of bristles to the Fuller Brush Company.

The point is that England owes us money because we shipped her goods and did work for her. She pays us back by shipping us goods and doing work for us.

We are all so likely to forget the part that money is only a token, that it only represents so many days' work or so many pounds of goods. And we are equally likely to forget that England and the United States are nothing but two groups of individuals doing business together, the planter in the south selling his cotton in Liverpool and the cutlery manufacturer in Sheffield selling his knives to a department store in Terre Haute.

M.T.



Don't let your PAYMENTS outlast your PAVEMENTS

Business street, residence avenue or country highway, they are all the same from the view-point of the *Tax-Payer's Pocketbook*. Only one type of pavement available at reasonable first cost has repeatedly proved its ability to *outlast the bonds issued to pay for it*—VITRIFIED BRICK.

Think this over—name any street or road in your neighborhood *not paved with brick* which has given even 20 years of service. And then recall the fact that here in the

United States there are brick pavements in use which were laid 35 to 45 years ago, while Holland is using brick pavements built at Napoleon's order.

Which, to your mind, is the economical policy in paving—to build with "cheap," short-lived materials which will require continuous repair and may not last even 10 years—or to pay an only slightly higher first cost for vitrified brick and get a pavement that will outlast the bonds and may even outlive you?

VITRIFIED

Brick

PAVEMENTS

OUTLAST THE BONDS

NATIONAL PAVING BRICK MANUFACTURERS ASSOCIATION, ENGINEERS BLDG., CLEVELAND, OHIO

When writing to NATIONAL PAVING BRICK MANUFACTURERS ASSOCIATION please mention Nation's Business



Investments must be Balanced

Suppose a professional man with \$50,000 asked you to recommend a list of suitable investments. Would you suggest that he put the entire sum in public utility bonds, say—or in railroad stocks—or in foreign government bonds? Or would you recommend that he divide equally among the three?

The chances are you'd urge him to see a good investment banker, who would help him **BALANCE** his securities as to types of business, classes of risk, rates of return, maturity dates, etc. You'd emphasize

BALANCE as indispensable to wisely using investment funds.

Similarly, prudent motor buyers emphasize *balance* as indispensable to the life and service of a motor. Every motor is a combination of the factors listed opposite. The life and service of the motor—its economy in first cost and in maintenance—result from the skill and foresight with which the manufacturer **BALANCES** these factors to one another in view of the particular work which the motor has to do.

Westinghouse

© 1925, W. E. & M. Co.

When writing to WESTINGHOUSE ELECTRIC

& MANUFACTURING



—so must a MOTOR

—for instance, *Temperature*: The degree to which a motor heats up under load depends upon the amounts of copper, steel, and insulation material which it contains, and upon the skill with which these are combined in the design.

By long study of heat flow in motors, Westinghouse has perfected methods of distributing materials and providing ventilation so as to give you a truly economical motor in size and first cost and still one that will not deteriorate because of excessive temperature rises.

A Motor is BALANCED

when the following factors are properly proportioned to one another and to the job which the motor has to do.

Electrical

1. Temperature
2. Torques
3. Efficiency
4. Power Factor (in alternating-current motors)
5. Speeds
6. Insulation
7. Commutation (in direct-current motors)

Mechanical

1. Air Gap
2. Bearings
3. Shaft
4. Steel
5. Assembly
6. Rotating Smoothness

To get real motor value look at *all* these factors, not merely at one, or two.

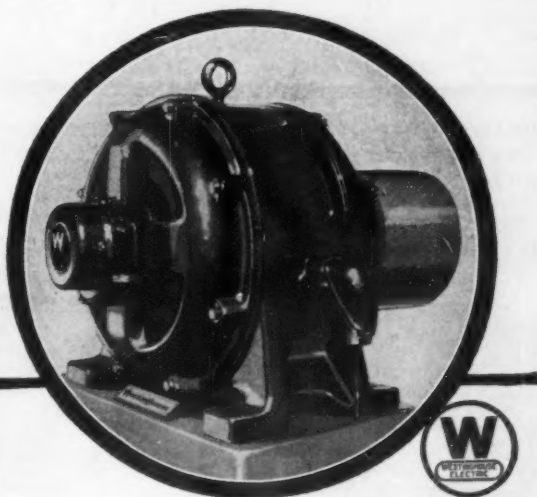
In Westinghouse Motors each factor has been weighted after years of experience extending into every industry and dating from the dawn of the motorizing idea. A truly balanced design for every purpose is the result.

WESTINGHOUSE ELECTRIC & MFG. CO.
EAST PITTSBURGH, PA.

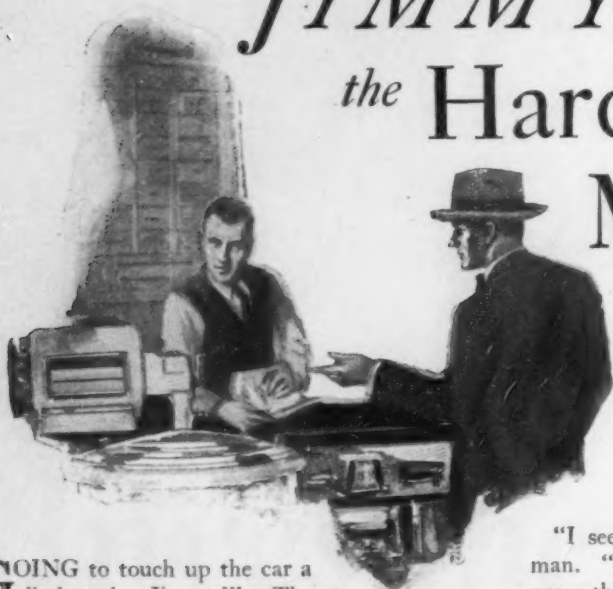
Sales Offices in All Principal Cities of the United States
and Foreign Countries

Motors

are **Balanced**



JIMMY surprises the Hardware Man



"GOING to touch up the car a little, eh, Jimmy?" The genial hardware man was wrapping up the can of auto enamel just purchased by Jimmy Warren.

"Has to be done," Jimmy returned. "That poor old boat of mine gets banged around something scandalous chasing down these chances to 'press it from steel instead.'"

"Let's see," said the hardware man, thoughtfully, "what is it they call you fellows out there at the YPS plant? Redeveloped Engineers, isn't it?"

"Pretty near," Jimmy laughed. "Official title is Redevelopment Engineers, I guess."

"That's it. And you say you go all around looking for chances to press things out of steel, eh?"

"Well, yes. But it's got so now that we don't have to look for chances very much. People are beginning to know more about it—how much cheaper than castings pressed steel parts really are. They write in and ask for one of us fellows to come and look over their products and see whether the YPS Company can make any saving for them. That's what keeps my car out in the weather so much."

"I see," nodded the hardware man. "That's all you do, eh—press things from steel?"

"Well, it isn't always steel, necessarily," Jimmy explained. "Take that wringer over there, for instance. Made by a large manufacturing company up in Pennsylvania, you know. They used

to make the adjustable drain board out of cast aluminum. That material was mighty expensive so they sent us a sample and wanted to know could we press one like it out of polished nickelized zinc at a saving in cost.

"Of course, our big presses can do the same things with sheet zinc, or brass, or any other metal, that they can with steel. So we came right back with a sample worked out and prices they couldn't resist. And, just come here and look at that polished surface. You'd think it was done after the pressing, wouldn't you? Well, it wasn't. We pressed it from sheets already polished and I'll bet you can't find a scratch on the surface. What's more, they're getting these pressed parts from us for about 25 percent less than they used to pay for the aluminum castings."

"Well, I'll be hanged!" remarked the hardware man.

Adventures in Redesign—This little book offers interesting and profitable reading if you are manufacturing products now made up of cast-metal parts.

It relates many remarkable instances wherein "pressing from steel instead" has reduced weight, increased strength and vastly improved the character of products for almost every branch of industry. Ask your secretary to mail this coupon today.

THE YOUNGSTOWN PRESSED STEEL CO., Warren, Ohio
"Pioneers in Pressed Steel Redevelopment"



The Youngstown Pressed Steel Co., Warren, Ohio
Please send me a free copy of "Adventures in Redesign."

Name.....

Street.....

Town..... State.....

NB 12-25

Our Tax Program for Congress

A FEDERAL tax revision program immediately applicable and designed to stimulate to the greatest degree the economic productivity of the country, will be presented to Congress by the Chamber of Commerce of the United States.

The Chamber also has under way a broad survey of the entire field of federal, state and local taxation for the purpose of determining general principles to be offered as a basis for the framing of a future national integrated taxation policy to coordinate tax systems throughout the nation.

The study of taxation in all its phases is under the direction of a special committee of economists and business men who are working with the Chamber's Finance Department.

The Chamber in the past has given close study to all phases of federal taxation and at various times has recommended principles which business men hold should apply in legislation relating to forms of taxes and rates and to administration. A number of the Chamber's earlier recommendations, which have been urged over a considerable period and have been steadily kept before Congress, are applicable to the present federal tax situation. The Chamber has now broadened its attention to taxation to include state and local systems with a view to pointing out ways to eliminate duplication and conflict.

Three Main Lines of Approach

THE PRESENT committee, dealing as it is with all fields of taxation, has proceeded in its study along three general lines:

1. It has before it the whole structure of federal taxation, and will come forward within the next few weeks with definite suggestions about how the recommendations made earlier by the Chamber and its membership can now best be applied, together with any changes in principle or new principles which the committee believes the Chamber's membership should consider in view of present conditions.

2. A second general line of approach covers general principles which should apply in all forms of taxation, including relations between the state and federal governments and relations between the states and between the various local divisions. This aims at the establishment of principles to be applied in the minimizing of the rivalry between tax jurisdictions, to bring about the establishment of more scientific methods, and to bring all taxing agencies more nearly into accord in the interests both of the taxpayers and of the agencies themselves.

3. A third line of approach is that of administration, covering federal, state and local fields. The Chamber believes there is considerable room for improvement in administration and its study has proceeded carefully into this question.

The scope of this work is broad and it is realized that it will take some time to complete all parts of it. The Federal Government's favorable fiscal situation, making present federal taxation reduction possible, gives this part of the work the greatest immediate importance and first attention therefore has been given to federal tax structure.

Although some forms of war taxes have been removed and changed to meet peace time requirements, the present internal revenue law is still largely a war measure. During the war the main object of the Government was to obtain revenues without too much attention being given to niceties of



A Notable Community

The modern conception of the "city plan" is shaping the growth—in orderly beauty and civic purpose—of Kohler Village, where Kohler enameled plumbing ware and private electric plants are made

YOU are as apt to find Kohler Plumbing Fixtures in the modest house on Main Street as in the newest and most lavish hotel; and *vice versa*. Countless thousands of homes, for example, rejoice in luxurious possession of the Kohler "Viceroy" built-in bath—yet that is precisely the same bath which has been selected for the magnificent Miami-Biltmore Hotel at Coral Gables, Florida. The reason is that Kohler Plumbing Fixtures, with their rare beauty and superb quality, cost no more than any others which one would care to consider. Your architect will be glad to specify "Kohler."

KOHLER CO., Founded 1873, KOHLER, WIS.
Shipping Point, Sheboygan, Wis. • Branches in Principal Cities

KOHLER OF KOHLER

Plumbing Fixtures

For Sale—



—this Splendid Factory

AT FORT SMITH, ARKANSAS, a railroad center having six railroads giving convenient access and favorable railroad rates to points in Southwest and Southeast. In center of large timber tracts, both hardwood and soft wood, and close to coal mines and oil wells, insuring cheap raw material and fuel. Has large manufacturing interests; called "the Grand Rapids of the Southwest."

FACTORY SITE contains 17.6 acres of land; switch tracks from two railroads.

BUILDINGS: Six main factory buildings built of brick, containing 165,000 square feet of space; power house dry kilns and office building, built of brick, containing over 50,000 square feet; lumber sheds, containing over 50,000 square feet.

ALL BUILDINGS and equipment are in first class condition.

MINIMUM FIRE RISK and very favorable insurance rates. All buildings are sprinkled. Concrete water reservoir containing 100,000 gallons and high water tank containing 50,000 gallons, in addition to city water service.

THIS FACTORY is very favorably located and equipped for any woodworking industry, especially furniture, but could be readily adapted for any kind of manufacturing business.

WILL BE SOLD by the owners at a very low price, as compared to replacement costs.

WRITE TODAY for full particulars.
Address Dept. M, care NATION'S BUSINESS,
Chamber of Commerce of the United
States, Washington, D. C.

exact justice. In its main object the Government was successful. Patriotic citizens, including those representing the business interests of the country, bore the heavy burden loyally and uncomplainingly, even though the levies did not seem to be the most equitable or always so placed as to have no serious hampering effect on business.

The war was ended seven years ago, and it would appear that the time certainly has arrived when the incidence of particular forms of taxation might be considered and taxes so levied as to stimulate to the fullest our economic advancement. It would seem that the time is near, if it has not already arrived, when instead of accepting the scheme of war-time taxation and simply eliminating or reducing certain taxes from time to time in a haphazard manner, as has been the practice, that the whole scheme of excise should be examined from the viewpoint of a permanent plan of peace-time taxation.

Proposals Chamber Favors

AMONG the proposals to which the Chamber is committed are:

Reduction of income taxes to increase capital available for productive industry.

Reasonable differentiation of rates between earned and unearned income.

Revision of provisions relating to capital gains and losses.

Repeal of estate and gift taxes now imposed by Federal Government and permanent relinquishment by the Federal Government of estate or inheritance taxes.

Constitutional amendment to permit of federal taxation of income from future issues of securities made by public authority.

Support of the Board of Tax Appeals.

An organization of representatives of the states and the Federal Government to coordinate national and state systems of taxation.

A commission composed of members of Congress and other representatives of the public to make a thorough study of federal taxes, simplification of law, and improvement in administration.

Exemption of American citizens resident abroad from federal taxes upon income derived abroad and not remitted to the United States.

Prohibition of arbitrary assessments designed to extend the period of limitation beyond that fixed by law.

Freeing of the Commissioner of Internal Revenue from policing duties in connection with laws other than those enacted primarily for raising revenue.

Establishment in the Bureau of Internal Revenue of conditions of merit, salary and permanency in tenure for competent men, in order to secure efficient organization and reduce turnover of responsible employees.

Decentralization of tax administration with annual progress reports to Congress.

Concentration in one building of Washington staff of Bureau of Internal Revenue.

Adequate provision for information to taxpayers respecting all rulings affecting their rights, favorably or adversely.

Statutory provision for filing of tentative returns on present due date, with definite right to file final returns within three months.

Legislation providing for prompt and conclusive settlement of tax liability to the end that enterprise may not be embarrassed by the appearance of liabilities hitherto unknown to exist and which have their origin in revised regulations or new interpretations of the law.

Opposition to making tax returns open to public inspection as public records or available to Committees of Congress to publish as they wish.



Florida in the Making

THE story of Florida is a story of keen activity in real estate development and building construction, and in that story International Trucks are playing an impressive part.

Take Pasadena-on-the-Gulf, at St. Petersburg, for instance. The Pasadena fleet of 16 Heavy-Duty International Trucks has been at work for nearly four years, creating a magnificent residential city out of 3,000 acres of wilderness.

Traveling always in deep sand or over rough roads, year in and year out, these 16 Internationals have moved a vast tonnage of road materials, concrete blocks, rock, sand, timbers, girders, and machinery. They transported numbers of full grown royal palms for the building of avenues and were the main mechanical factor in

the building of a number of large bridges.

The entire fleet worked full time in the construction of Boca Ciega, the Country Club Division at Pasadena and winter headquarters of Walter Hagen, for the third time national professional golf champion. In nine months' time one 18-hole course was open for play—record time for men and equipment. For motor truck advice from one who knows, see Jack Taylor, Pres., Pasadena-on-the-Gulf, Florida.

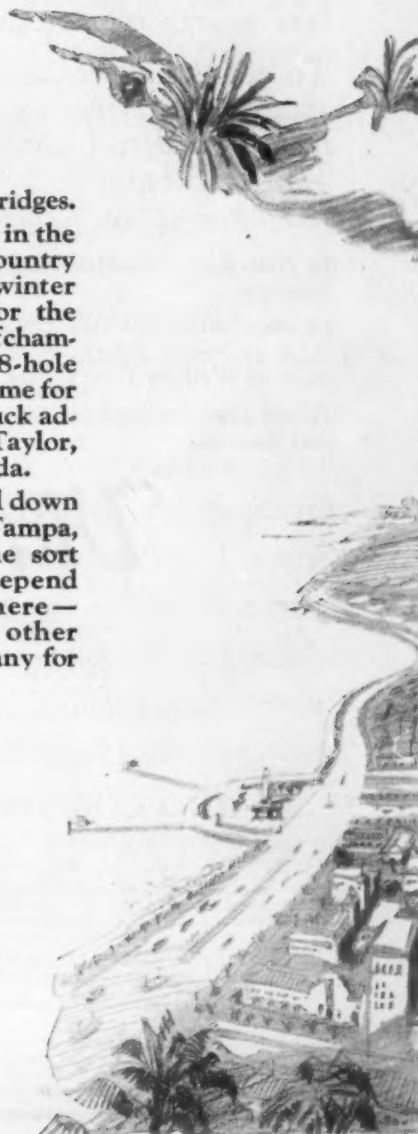
We can cite you such instances all down the East Coast to Miami, across to Tampa, and up again to Jacksonville—the sort of truck performance you can depend on from Internationals, anywhere—the same performance given by other products of the Harvester Company for almost a hundred years.

International Heavy-Duty Trucks range from 3,000 to 10,000 pounds maximum capacity. The line includes also the 2,000-pound Speed Truck. Sold and serviced through 111 branch houses—largest Company-owned motor truck service organization in the world.

INTERNATIONAL HARVESTER COMPANY
OF AMERICA
606 SO. MICHIGAN AVE. (INCORPORATED) CHICAGO, ILL.

INTERNATIONAL HARVESTER TRUCKS

When asking for further information about INTERNATIONAL TRUCKS please mention Nation's Business





RADIOGRAMS

Speed Business—with Norway

Norway buys annually fifteen millions of dollars' worth of iron and steel.

To get their quotations to Norway quickly and accurately, American business houses need a means of *direct communication*. They have it—in Radiograms.

HOW TO SEND RADIOGRAMS

In New York, Washington, Boston, or Honolulu phone for an RCA messenger.

In other cities—file Radiograms to Europe or the Near East at any RCA or Postal Telegraph office; and to Hawaii and Japan at any RCA or Western Union office.

To any country—and for passengers on ships at sea—be sure to mark your messages

"Via RCA"

RADIOGRAMS go direct to:

NORWAY	FRANCE
SWEDEN	GERMANY
ENGLAND	POLAND
ARGENTINE REPUBLIC	HAWAII and JAPAN

Send Today for Radiogram Rate Sheet

RADIO CORPORATION OF AMERICA

RCA OFFICES IN THE FOLLOWING CITIES

NEW YORK CITY

64 Broad Street.....Broad 5100	6 West 19th Street.....Watkins 7953
19 Spruce Street.....Beekman 8220	1824 Broadway.....Columbus 4311
126 Franklin Street.....Walker 4891	19 West 44th Street.....Murray Hill 4996
264 Fifth Avenue, Madison Square 6780	

SAN FRANCISCO, 28 Geary Street, Garfield 4200

WASHINGTON D. C., 1112 Connecticut Avenue, Main 7400

HONOLULU, T. H., 923 Fort Street

CHICAGO10 So. La Salle Street
 BOSTON109 Congress Street
 NEW ORLEANSCarondelet Building
 BALTIMOREGay & Pratt Streets
 NORFOLK, Va.220 Brewer Street

PHILADELPHIAThe Bourse
 CLEVELAND1599 St. Clair Ave
 SEATTLE512 Maritime Building
 PORT ARTHUR, Texas.....Realty Building
 LOS ANGELES.....453 So. Spring Street

Regarding Copy for Bond Houses

By ARTHUR DEBEBIAN

I DON'T think there can be any doubt of the importance of the small investor or the need for cultivating the huge market he provides. He is apparently the ultimate consumer of the great volume of investment securities. Yet he is not a good investor. He is losing more than a billion dollars a year in fraudulent investments, something like \$3,000,000 a day. Obviously, something is wrong with our method of teaching the doctrine of sound investments.

But just how are we going to better the situation?

Ask the wholesaler to humanize his copy?

What happens when an investment house decides to break away from custom and tradition and talk to the individual investor in his own language?

Let me cite a very interesting instance.

Quite recently one widely known New York investment house did try to reach the public by putting in its offering advertisements only what information it thought would be of interest to the public. One of the advertisements did actually appear. A storm of protest from their attorneys burst upon them. They had taken a very dangerous step!

Legal Action Is Invited

THEIR deletion of parts of the advertisement could be construed as deliberate withholding of facts from the public. They were inviting legal action.

The members of the firm were frightened. They appealed to their attorneys for a type of advertisement safe to publish, and the result was a setback to a style much worse than the one preceding the outbreak of radical copy.

Wholesalers of bonds have had similar experiences; therefore when they formed a selling group and allotted bonds to dealers for sale in their territories, they were satisfied to continue to advertise the new issues in the orthodox way. It is the dealer who participates in these issues and who subsequently tries to sell his bonds to the public, who must be brought to realize that advertising in his territory, whether by the syndicate management for his benefit or by him independently, unless addressed to the investor in terms he will understand, is largely wasted.

I have always felt that the sum set aside by the syndicate members for the offering advertisement should be divided and a substantial part used in a secondary campaign for the benefit of the dealers participating in the issue. I believe that a great deal could be accomplished if some of the leading wholesalers would take the initiative in this type of advertising. There are several ways of conducting such a campaign. Each way has been tried, and tried successfully. Here is one way:

Let us assume that we are about to market a bond issue for a large industrial firm, but a firm little known to the general public.

A preliminary ground-breaking campaign could precede the formal offering of bonds. It could be done in one or a series of advertisements addressed to the investor in terms he can understand. The advertisement should be illustrated if possible. A series of small pamphlets should be prepared for a direct-by-mail campaign to be conducted simultaneously with the advertising. All this copy should

THE TALE OF 4 CITIES

New York
Chicago
Milwaukee
Denver



A BUSINESS MAN in New York had just sat down to dinner when he received a long distance call from Chicago. It concerned a business deal amounting to a quarter of a million dollars, but the Chicago man had two associates—one in Milwaukee, the other in Denver. So he telephoned each of them while the line between New York and Chicago was kept

open, and the whole transaction was closed in less than 15 minutes!

SUCH is the almost hourly work of the Long Distance telephone. No distance is too great, no transaction too important, for the telephone to bring men and concerns together in conference. While men are wasting time waiting in reception rooms, while callers are learning that the men they want to see are out of town, even while offices are closed, Long Distance gets things done.

Do you use the long distance telephone only in an emergency, or as a regular means of improving results? Are your employees trained to use the telephone to save the time

and expense of trips, to make appointments and to buy and sell goods? No man who buys or sells merchandise or collects money can accomplish all he should without the regular daily use of Long Distance.

The Commercial Department of your local Bell company will analyze your business and suggest new ways in which Long Distance can help you. In the meantime, the telephone on your desk will connect you with the other side of the state or the continent just as it now does with the other side of town. What man or concern would you like to have now? *Number, please?*

BELL LONG DISTANCE SERVICE





IMPRESSIVE

Apppearance plays an important psychological part in printed, as well as personal, salesmanship.

In the planning of your sales literature, remember that the paper used is your printed salesman's suit of clothes. And impressions convince, one way or the other, as strongly as any statement or argument you put into your text.

Specify a Cantine coated paper for your next printing of sales matter and note the impressiveness it gives your text and illustrations.

Book of sample papers and name of nearest jobber sent on request. Address: The Martin Cantine Co., Dept. 256, Saugerties, N. Y. Since 1888, manufacturers of fine coated papers exclusively.

Cantine's COATED PAPERS

CANFOLD

ASHOKAN

ESOPUS

VELVETONE

LITHO C.I.S.

CHATTANOOGA

The latest folder giving interesting statistics and other valuable information about Chattanooga as a commercial, distributing and industrial center will gladly be forwarded business executives on request.

**Chattanooga
Clearing House Ass'n**
800 James Building
Chattanooga, Tennessee

QUALIFIED EXECUTIVE AVAILABLE

Qualifications:

Responsibility and control of finances.
Management of departmental activities.
Production control, costs and statistics.
Auditing, Accounting, Credits and Collections.

Experience:

Fifteen years' excellent record with large manufacturing and utility corporations.

INVITES inquiries and investigations from any location within the United States.

He is a Christian, with excellent references; residing in Newark, N. J.

Address, in mutual confidence,

Stephenson Laboratories
P. O. Box 26, Clinton Hill Station,
Newark, New Jersey

be put not over the names of the dealers or the syndicate but over the name of the firm borrowing the money.

The State of San Paulo issue originally offered in March, 1921, offers an outstanding example of the effectiveness of this type of campaign. My organization participated with several other large Wall Street institutions in this financing. The issue moved along very well until the syndicate had disposed of all but two million dollars of the bonds; then the participating dealers encountered considerable difficulty in arousing further interest among investors.

An educational advertising campaign was decided upon. It consisted of a series of illustrated advertisements giving interesting facts about San Paulo; one advertisement showed the size of the State of San Paulo to be equal to the entire New England group of states; one portrayed its leadership in agricultural and commercial pursuits; another dealt with its high credit standing; another with the character of its people, etc.

A portfolio of these advertisements was mailed to each dealer, together with a schedule of insertion dates and papers to be used. The advertising was supplemented with a few carefully prepared leaflets for direct-by-mail work. The effect of this publicity was felt almost immediately, and before half of the series has been published the last bond had been placed.

The total cost of preparing one of these educational campaigns is negligible in comparison with other syndicate expenses and is always of assistance to the dealer in coaching his salesmen, even if not actually used in the newspapers.

Bond Copy Remains Static

BOND offering copy in some respects is unquestionably reactionary. It is the only branch of financial advertising that has not shown great progress in the past ten years.

Our large banks and trust companies today are telling their stories to the public just as effectively as the merchant and the manufacturer and they are reaping a rich harvest by their courage. But why hasn't offering advertising been modernized? Because there are many obstacles barring the way to a radical change in the present style of investment-offering advertisement.

There is the element of time. Many of you know that the information used in bond circulars and advertisements is usually prepared in great haste, sometimes overnight. There is the fear of misstatements regarding the property and the necessity for legal approval before publication.

There is the pride in creating the impression that the issue has been largely oversubscribed in a few hours. But does all this compensate for the unplaced bonds that lie on dealers' shelves for months?

There is another viewpoint which we will have to consider, too. Many investment bankers already realize the advantage of educational advertising. They know that they must interest the public in their bonds, but they want this work accomplished through separate campaigns, which will in no way affect the present method of presenting new issues publicly.

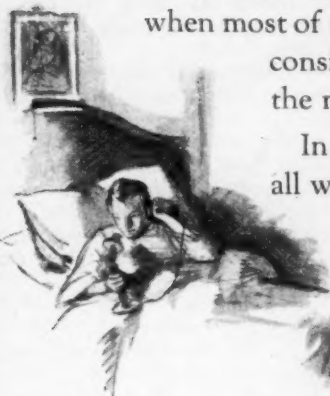
That method is all right for the big firm, but the smaller dealer cannot afford such an increase in overhead. His only chance for benefit from offering advertising lies in getting real selling copy inserted by the syndicate management in the papers circulating in his territory. And I firmly believe that if advertising is intended to help the dealer sell bonds, it should certainly be selling copy.

When writing to the above advertisers please mention Nation's Business

Before-breakfast hospitality

If there's any time in the world when most of us need a little special consideration, it's early in the morning.

In these hotels we do all we can to get your day started right.



The voice that calls you from sleep is pleasant.

Your waiting bath is clean and inviting.

There's nobody who has to be summoned or tipped if you want ice-water.

The morning paper has been slipped under your door—and if you want to crawl back into bed with it, there's a reading lamp at your bed-head.

And that's not all: you can't beat the Statler breakfasts, club or à la carte!

Statler

The Restaurants:

In addition to the dining-rooms you would expect to find in a first-class hotel, each of these houses provides a cafeteria, or a lunch counter, or both.

You have variety to choose from, in both service and price.

That means either economy or convenience to you often.

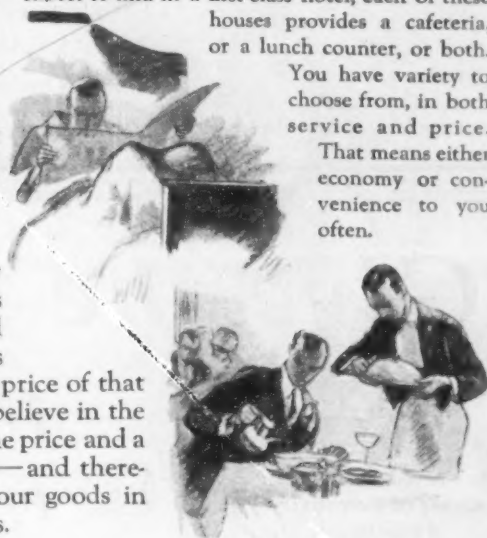
Rates are unusually low, in comparison with those of other first-class hotels:

Single rooms are from \$3 in Cleveland, Detroit and St. Louis; from \$3.50 in Buffalo, and from \$4 in New York.

Twin-bed rooms (for two) are from \$5.50 in Cleveland, Detroit and St. Louis; from \$6.50 in Buffalo, and from \$7 in New York.

And remember that every room in these houses has its own private bath, circulating ice-water, and many other conveniences of equipment and furnishings that are unusual—such as, for instance, the bed-head reading lamp, the full-length mirror, the morning paper that is delivered to your room before you wake.

In every room, too, is posted a card on which is printed the price of that room. We believe in the policy of one price and a square deal—and therefore mark our goods in plain figures.



Boston's Hotel Statler is building:

In the Park Square District of Boston the new Hotel Statler is building, 1300 rooms, 1300 baths—to be opened late in 1926. Adjoining the hotel is The Statler Office Building, with 200,000 sq. ft. of desirable space for offices.

Buffalo—and Niagara

The newest Hotel Statler, (1100 rooms, 1100 baths) is in Buffalo—delightfully situated on Niagara Square. Across the street from it is the new Statler Garage, a marvel of convenience throughout—and especially appreciated by tourists visiting NIAGARA FALLS, which is but 23 miles away. The old Hotel Statler in Buffalo is now called HOTEL BUFFALO.

STATLER

Buffalo~Cleveland~Detroit~St. Louis

HOTELS

Hotel Pennsylvania New York

The largest hotel in the world—with 2200 rooms, 2200 baths. On Seventh Avenue, 32d to 33d Streets, directly opposite the Pennsylvania Station. A Statler-operated hotel, with all the comforts and conveniences of other Statlers, and with the same policies of courteous, intelligent and helpful service by all employees.

And Statler-Operated Hotel Pennsylvania~New York

Are You Listening In?

Every Tuesday evening at eight o'clock a radio talk is broadcast from Station WEAf by an officer of The Bank of America, treating upon financial aspects of various events of current interest.

Each month these texts are brought together in our publication THE REVIEW. We shall be pleased to place the names of responsible business men upon the regular mailing list for these issues.

Address "Service Department."



THE BANK OF AMERICA

ESTABLISHED 1812

44 Wall Street
NEW YORK

Trust Department Organized 1888

Give the friend

Date _____

To the United States
Chamber of Commerce
Washington, D. C.

Enter the following for a 36-month subscription to NATION'S BUSINESS, first copy to arrive at Christmastime. Charge to me at \$7.50, billing me after the first of next year. (No extra postage to Canada, Mexico, England, France, or anywhere else in the world.)

(HIS NAME HERE)

Send to _____

Address _____

City & State _____

(YOUR NAME HERE)

My Name _____

Address _____

City & State _____

this gift for Christmas—

Here it is: A three-year NATION'S BUSINESS subscription, which means a gift to him from you every month for thirty-six months. You can judge from your own estimate of this magazine whether he will like it.

and get it at a bargain!

It is a bargain: The price of the three-year subscription is \$7.50—a saving of \$5.10, virtually fifteen 35c issues without cost.

Please use the coupon at the left.

Business Asks for Better Letters

THE SUBJECT of a better business correspondence is one that is dear to our heart, and we were interested not long ago in two letters that came one day asking us to carry on the campaign for improvement of business letters.

L. W. Repsold, president of the Arlington Engineering Corporation, recommends that all business letters be addressed to the firm rather than to the individual. If the writer desires to have the letter handled by some particular person in the firm, he should mark it "Attention of Mr. Soandso." Then, if Mr. Soandso happens to be out of town, the letter will be opened and taken care of by someone else in his absence.

Mr. Repsold goes on to say that a letter should never be addressed to Mr. Soandso, c/o X. Y. Z. Manufacturing Company, for this "leads to serious trouble. The company is not sure whether it is really a personal letter or a company letter; and if the individual is out of town and the company opens it and it is a company letter, it is O. K.; but if it happens to be a personal letter, the company is sure to get into trouble, for no individual wants his mail opened by others."

"On the other hand, if the letter is addressed to the individual in care of the company, but is intended for the company, and it is not opened, this also leads to serious trouble, as the letter may contain some very important business information that the company should have, but is delayed in getting."

Personal letters which are sent to a business address should be marked "Personal," so that there can be no doubt about opening them.

How to Address the Reply?

THE OTHER reader has a word to say to business women. He feels that with the increasing number of women in business it is becoming more and more difficult to ascertain whether the writer is a man or woman if the signature is not explicit.

He wonders if women in business like to be addressed as "Mr." and if not, why they don't prefix "Miss" or "Mrs." to their signature.

For instance, a letter from A. R. White might be from Mr. A. R. White, Mrs. A. R. White or Miss A. R. White. And unless the writer is a personal friend, how is the recipient to know how to address his reply?

This supporter of good business correspondence adds:

"I receive a letter signed 'Orline Jones.' If it is from a librarian, I take a chance and say 'Dear Madam' in reply. If it is from a plumber, I feel that I am taking less chance in saying 'Dear Sir,' but there are many cases where there is no clue."

We are heartily in accord with the sentiments of both of these promoters of better business letters. And while on the subject of signatures to letters, we should like to add this thought:

We frequently receive business letters on which the signature is not typed and which are signed so poorly as to make it almost impossible to find out the name of the writer. Sometimes, with the aid of the telephone directory, Poor's Manual or Thomas' Directory, we are able to make out the name, but often we just have to guess at it. In the interests of efficiency and good temper we appeal to the business man to have his name typed at the end of his letters.

TO MEN IN INDUSTRY.



Save it!

One-third of the nation's
fuel is being wasted

THIS is a conservative estimate based upon the opinions of the country's leading engineers. The greater part of it can be saved—and without changing present equipment.

It is the business of Johns-Manville to demonstrate where and how fuel and power can be saved, to provide an effective and efficient means and to show how to apply such means.

That is why it is just as important to you as to us to avail yourself of the services of Johns-Manville Sales Engineers in your place of business.

Insulation, Packings, Refractory Cements, Roofing, and other Asbestos products may materially aid in both conserving fuel and lowering production costs, thus placing you in the best position to meet your competition.

JOHNS-MANVILLE

SAVES POWER



AKRON
ALBANY
ATLANTA
BALTIMORE
BIRMINGHAM
BOSTON
BUFFALO
CHARLESTON, W. VA.
CHICAGO
CINCINNATI
CLEVELAND
COLUMBUS
DALLAS
DAYTON
DENVER
DETROIT
DULUTH
ERIE
GRAND RAPIDS
HOUSTON
HUNTINGTON
INDIANAPOLIS
JACKSONVILLE
KANSAS CITY
LOS ANGELES
LOUISVILLE
MEMPHIS
MILWAUKEE
MINNEAPOLIS
NASHVILLE
NEWARK
NEW ORLEANS
NEW YORK
OMAHA
PHILADELPHIA
PITTSBURGH
PORTLAND, ME.
PORTLAND, ORE.
PROVIDENCE
ROCHESTER
SALT LAKE CITY
SAN DIEGO
SAN FRANCISCO
SEATTLE
ST. LOUIS
ST. PAUL
SPRINGFIELD, MASS.
SYRACUSE
TACOMA
TOLEDO
TULSA
WASHINGTON
WILKES-BARRE
WORCESTER
YOUNGSTOWN
HAVANA, CUBA
RIO DE JANEIRO, BRAZIL
SAO PAULO, BRAZIL
MONTREAL
OTTAWA
TORONTO
VANCOUVER
WINNIPEG
MEXICO CITY, MEXICO

Recent Federal Trade Cases

Manufacturer not required to endure dealers' demoralization of his market—Three suspended economic investigations to continue—"Bribery" practiced after issuance of prohibitory order, Commission tells court—Loose use of the good name of Grand Rapids furniture—"All wool" was 35 per cent cotton—Face creams and perfumes denied dealers who swerved from fixed prices—Dissentions characterize dismissals



FREE

140-page Book full of life-size ruled forms, each one completely filled in. The answer to problems of accounting and to record keeping for any business or profession.

Send for this Book today

John C. Moore Corporation
(Established 1839)
3045 Stone St., Rochester, N. Y.

MOORE'S LOOSE LEAF SYSTEMS
In Use In More Than 300,000 Offices



Fiberstok
RED


FLAT ENVELOPES

Protect personal and business papers in files or during constant handling. An excellent medium for advertising your business.

"They Last Longer!"

National Fiberstok Envelope Company
429 Moyer Street - Philadelphia

At Your Stationers or Write for Sample



House Organs

We are the producers of some of the most successful house organs in the country. Edited, printed, and mailed in lots of 1000 and up at 5 to 15 cents per name per month. Write for copy of THE WILLIAM FEATHER MAGAZINE

The William Feather Company
690 Caxton Building :: Cleveland, Ohio

Your Secretary is in Washington today

Your appointments made; time scheduled; material at hand; every facility you have at your home office. An office that will carry on in your absence. Write for details.

NELL V. PRICE
Your Washington Secretary
942 Munsey Building, Washington, D. C.

THAT a business may legitimately protect itself from a dealer in its products who is "willing to sacrifice our own business for his own selfish interest" is an implication of the finding of the United States Circuit Court of Appeals for the Second Circuit, which reversed a prohibitory order of the Federal Trade Commission directed against alleged cooperation and conspiracy between a manufacturer of tobacco and a tobacco jobbers association to fix the resale price of tobacco products to retailers. The court found no cooperation or conspiracy, as charged, but did find that the tobacco company simply would not sell to any wholesaler or jobber if it discovered that he was selling to retailers at a price less than that fixed by the jobbers association.

In defining its position with regard to the aspects of price-fixing developed in this case the court said: "Practices cannot be regarded as fair which work the demoralization of the business, and practices cannot be regarded as unfair methods of competition if a manufacturer declines to sell to wholesalers who demoralize the legitimate market by selling at a price which those in the business regard as insufficient to enable the business to be conducted with reasonable profit."

THROUGH a ruling of the Attorney General, the Commission is to continue virtually all of the economic investigations which it suspended pending an opinion on their status under the Act of Congress appropriating money for the year which began July 1. This Act restricts the Commission to investigations authorized by joint resolution of both houses of Congress, unless anti-trust violations are involved. Nearly all of the Commission's economic investigations have been undertaken on the authority of Senate resolutions without the concurrence of the House being given or asked. In accordance with provisions of the new appropriation measure for the current fiscal year, the Commission segregated its economic investigations into two classes—those in which an anti-trust problem is obviously a part, and those to which that problem is not clearly related. The suspended investigations, now authorized for procedure by the Attorney General's ruling, include a report on the production, distribution, transportation of flour and bread with regard to costs, prices, and profits, and any evidence as to monopoly or restraint of trade; a report on the names, number of members, and the extent to which the activities of so-called open price associations, or those distributing or exchanging price information, result in securing uniform price increases to wholesalers or retailers; and a report on co-operative associations with regard to their growth and importance in production, distribution, and consumption in comparison with other agencies of distribution, and on the obstructions, if any, to the formation of co-operative associations placed by other organizations.

Although the Commission's investigation to determine whether or not there is monopolistic control in the generation and transmission of electrical power was not suspended in so far as it related to the allegation of monopoly, the Attorney General was asked about that part of the resolution calling for an investigation of the efforts of electric companies to influence public opinion. The Attorney General has ruled that there is no authority for an investigation of that sort because its relation to a charge of violating the anti-trust act is not apparent.

THE COMMISSION has filed application in the United States Circuit Court of Appeals

for the Seventh Circuit, at Chicago, for the enforcement of its order against an Indianapolis paint company, a manufacturer of paint and shellac substitutes, especially a shellac product known to the trade and public as "O'Shellac." In the Commission's order the company was required to discontinue offering and giving gratuities to employees of furniture manufacturing concerns and others using its products for the purpose of influencing the employees to buy the company's products for their employers—a practice, the Commission says, known as "commercial bribery" and applied without the knowledge and consent of the owners or responsible officers of the employing companies.

The paint company's answer to the Commission's original complaint, the Commission says, stated that it had been its practice to use the methods questioned, but that its policy had changed since 1917, no further payment having been made to employees of purchasing concerns to promote the sale of its products. But in bringing this case to the court's attention, the Commission presents evidence which it asserts shows a clear disregard of the Commission's order by the payment of considerable sums of money to employees of customers. Accordingly, the Commission has applied to the court to have the question determined and to enter a decree affirming the order of the Commission and requiring compliance of the company.

FURNITURE sold as Grand Rapids furniture products by several New York dealers had too thin a veneer of fact to convince the Commission that it was genuine, and through the issuance of a prohibitory order it has instructed them to mend their ways of doing business.

In its investigation of one of these cases, the Commission found, it reports, that although the dealers were in no way connected with any furniture manufacturer of Grand Rapids, Michigan, they intentionally deceived the public by advertising extensively that they were the New York branch of an association of Grand Rapids furniture manufacturers. According to the findings, the dealers, before the adoption of their trade name, were aware of the existence and activities of the Grand Rapids Furniture Manufacturers Association of Grand Rapids, an organization "spending annually \$100,000 in advertising and creating good-will for furniture manufactured in Grand Rapids, Michigan."

In a further effort to deceive the public, the findings continue, the dealers had postcards printed, with the words "Grand Rapids, Michigan" at the top, and these cards were taken to Grand Rapids by an agent of the dealers and mailed. Through that arrangement the cards bore the postmark of the Grand Rapids post office when received by prospective customers of the New York dealers. Although 98 per cent of the furniture sold by the New York dealers was made in places other than Grand Rapids, Michigan, the Commission contends, the dealers marked each piece of furniture with gummed labels bearing the name "Grand Rapids."

Another firm advertised that it sold large quantities of furniture purporting to have been made in Grand Rapids, but only 2 per cent of the furniture sold by this firm was actually manufactured in Grand Rapids, the Commission explains in citing some of the alleged misleading statements used in newspapers throughout the United States: *

"We Have Been Ordered by the Leading Grand Rapids Manufacturers to Advance Our Price 20 Per Cent."

"We Will Dispose of \$500,000 Stock of Grand

Speaking of Printing—Read This

from the Lancaster County Seed Company,
Paradise, Pa.

—from their letter
to us of May, 1922

"Heretofore, we used the machine primarily for our circularizing and for our collection letters and did not seriously consider its use for printing; we had two job presses in our print shop and printed most of our envelopes and letterheads on them.

"We have discontinued using the job presses and are doing all of the small work formerly done on these two presses on the Multigraph.

"For example, one of our return envelopes, a sample of which is enclosed, was printed on these job presses, the capacity being seven to nine thousand per day. Last week we printed on

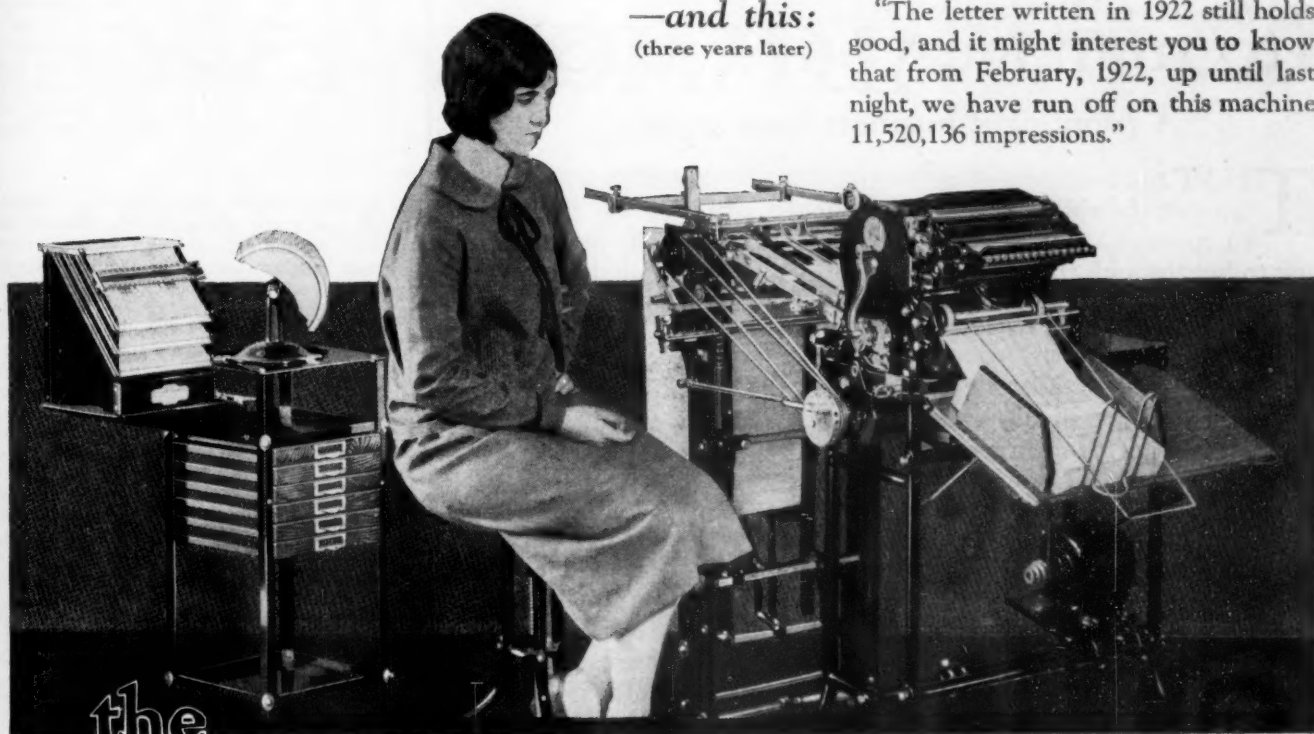
the Multigraph in four days, 106,489.

"At the rate of nine thousand per day, this would have taken one of our job presses at least 12 days. The letterhead on which this letter is written, as well as the envelope in which this letter is being mailed, were both printed on the Multigraph by our operator, a 15-year-old High School boy.

"We consider that we have lost quite a tidy sum of money by not sooner realizing and utilizing the possibilities of the Multigraph as a printing machine. Until this Spring we merely looked on it as a device for making imitation typewritten letters."

—and this:
(three years later)

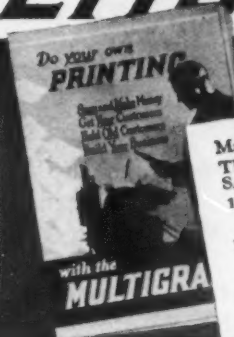
"The letter written in 1922 still holds good, and it might interest you to know that from February, 1922, up until last night, we have run off on this machine 11,520,136 impressions."



the printing MULTIGRAPH

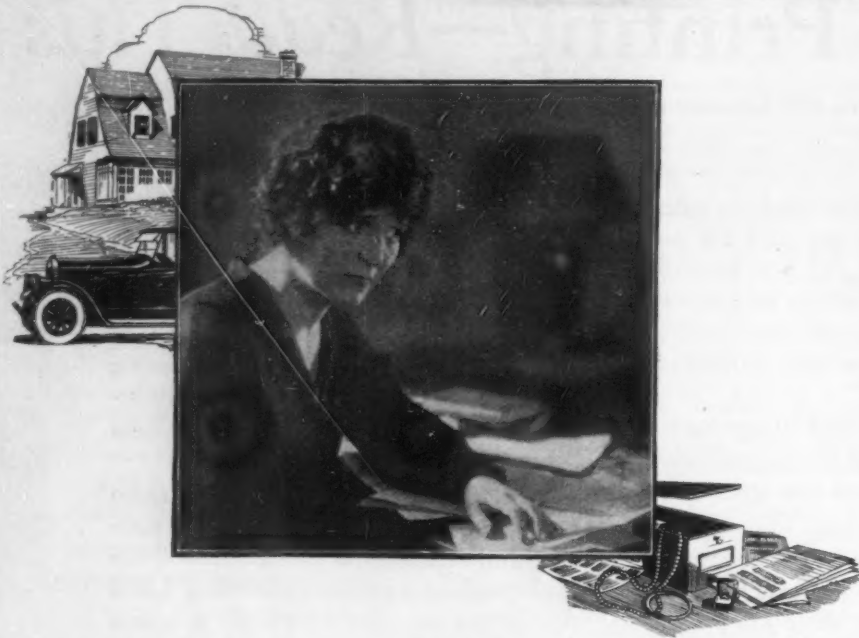
A GREAT deal of specific information about the Printing Multigraph and the large savings effected by it will be found in the book, "Do Your Own Printing". Mail the coupon and we will send you the book.

THE AMERICAN MULTIGRAPH SALES COMPANY
1806 E. 40th St. Cleveland, Ohio



Mail With Your Letterhead to
THE AMERICAN MULTIGRAPH
SALES COMPANY
1806 E. 40th St., Cleveland, O.
(Place check mark in square)

1. ☐ Send me the book, "Do Your Own Printing."
2. ☐ Notify your nearest office to arrange for demonstration of your Printing Multigraph on my work.



Should your Widow be left to manage your estate?

A prominent business man says:

THAT the average widow has not the ability wisely to manage the property left to her through the decease of her husband, is obvious to the general thinking public. Why?

"In the first place, the widow's bereavement, in most cases, is a shock sufficient to prevent her from exercising ordinary business judgment in the management of the estate left to her.

"Secondly, the handling of property and important business is too weighty for one trained in managing household affairs and other family interests, unless she has at her command professional counsel backed by years of training.

"Upon the death of her husband she becomes the victim of undesirable business schemes. She will frequently enter into expensive but ques-

tionable contracts through new business adventures thrust upon her by high pressure salesmen. Such pitfalls were evaded during the life of her husband through his guidance. He, unlike her, was not easy prey; his experience and association with business discouraged these solicitous maneuverers.

"The loss often is not only financial but sometimes more disastrous. The gnawing worry, incident to business cares, so suddenly thrust upon a widow often results in her nervous breakdown necessitating heavy expenditures to restore her to health."

The man who is wise in the arrangement of his affairs will appoint a trust company to manage his estate. Ask the trust officer of a local trust company to explain to you the benefits of trust service—or write to

**TRUST COMPANY DIVISION
AMERICAN BANKERS ASSOCIATION
110 EAST 42nd STREET, NEW YORK**

Rapids Furniture at Once."

"Grand Rapids Furniture Direct to the Public."

"The National Furniture Distributing Corporation Was Appointed to Sell This Tremendous Stock (\$500,000 Worth of Grand Rapids Furniture)."

Similar charges were made against two other dealers. Orders to "cease and desist" from the practices alleged unfair have been issued in all these cases.

A Philadelphia furniture firm got into the Commission's eye with a series of slogans in its advertisements. The slogans cited by the Commission read as follows:

"Direct from the Factory," "Buy Furniture at Factory Prices," and "Six Big Factory Floors Crowded."

The findings state that the representations of this concern were misleading and deceptive, and that they injured the interstate business of furniture manufacturers of Grand Rapids, Michigan. The order in this case requires discontinuance of the misrepresentations.

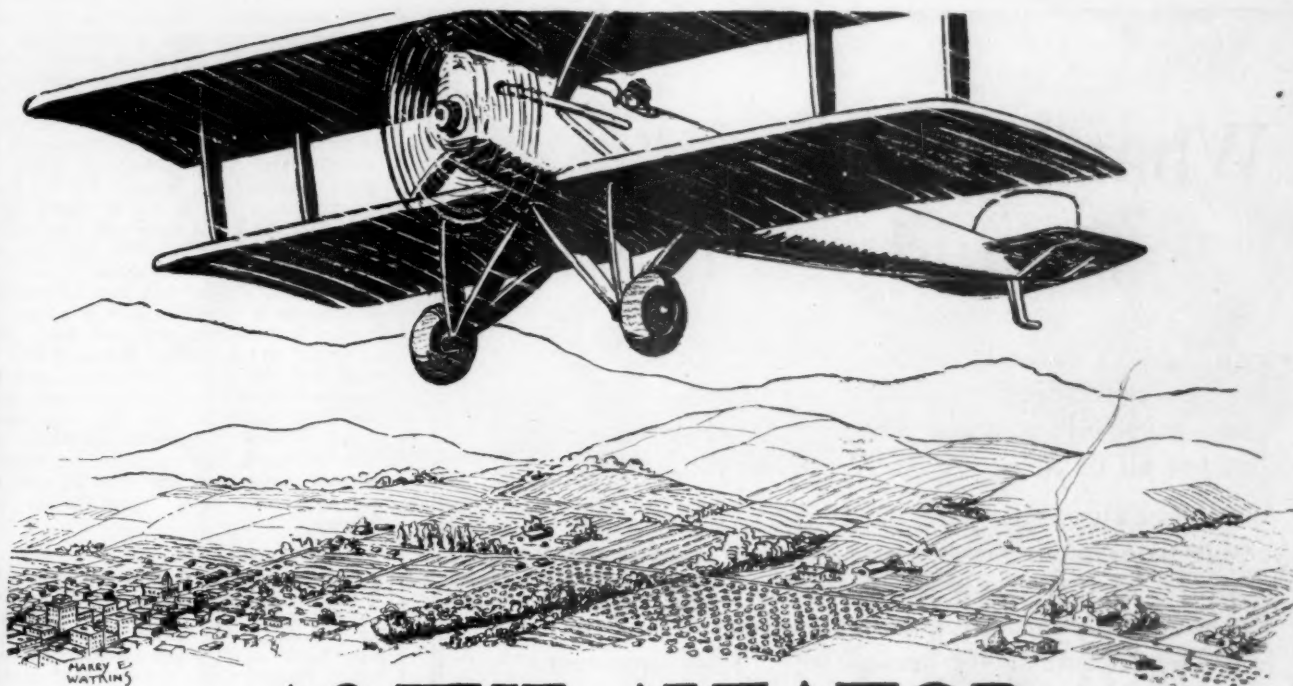
A PROBLEM in percentage came before the Commission in a case against three partners in a Baltimore clothing firm. The partners advertised by means of circulars, the Commission says, that the garments offered for sale were made of an "all-wool fabric," but the Commission found, it says, that the cloth was 35 per cent cotton, and 65 per cent wool. Included in the findings is the statement that the partners on being advised of the government investigation stopped sending the circulars and shipping of the clothing so advertised. To the Commission's way of thinking, the representations cited had a tendency to cause purchasers to buy the clothing in the belief that it was all wool, thereby diverting trade from competitors who did not practice misrepresentation.

A NEW YORK manufacturer of cosmetics got under the Commission's official skin with some of its selling practices. A prohibitory order has been issued to require discontinuance of the methods of competition held unfair by the Commission. According to the findings, the manufacturer established and fixed uniform resale prices for its face creams and perfumes. Further findings are that these prices were designated on price lists, invoices, and on circulars placed in the containers in which the products were sold. A discount of 33 1/3 per cent on the fixed resale prices was allowed to the retailer, the Commission says, with an additional discount of "one per cent for payment of the invoice within ten days after date." These same rates of discounts were also allowed to jobbers, the Commission explains, except for large orders on which an additional jobber's discount was authorized.

In this case the Commission also found, it says, that the manufacturer solicited and received the support and cooperation of jobbers and dealers in maintaining its list prices, and when price-cutting was brought to its attention by a dealer or one of its agents, the manufacturer refused further shipments of its products to the "offending" dealer unless assured that its prices would be maintained by him in the future. Some of the dealers who cut prices on this manufacturer's goods were informed that they were undesirable customers and that no more orders from them would be filled, the Commission explains.

The general effect of the manufacturer's co-operative system, the Commission contends, is that dealers handling its products have sold them at uniform prices fixed by the manufacturer, and that these dealers are prevented from selling the products at prices which the dealers might believe justified by their selling costs and selling condition generally—a practice suppressing competition in the manufacturer's products, according to the Commission.

THROUGH an official resolution the Commission has placed the stamp of its approval on the use of the word "Rayon" as properly designating artificial silk products, the basis and



AS THE AVIATOR SEES A COMMUNITY~

Just as an airman flying over a community sees as a unit the various elements of its topography—so does The Chronicle's Merchandising Department command a sweeping view of the channels of business.

From an unbiased viewpoint, it sees the various factors of a market situation in their true relation to each other. It is in a position to tell you the buying habits of any district—the distribution of competitive products—the prevailing jobber and retail prices—the logical outlets of distribution—in fact to give you an "air-view" of this market.

Because of its active participation in thousands of campaigns The Chronicle has a first-hand knowledge of the problems of manufacturer, broker, jobber and retailer, and is able to secure co-operation all along the line.

The composite experience of advertisers is at your disposal through The Chronicle's Merchandising Department. Before starting a campaign, take advantage of this service. It is entirely without charge.

San Francisco Chronicle

National Advertising Representatives
WILLIAMS, LAWRENCE & CRESMER CO.

225 Fifth Avenue
NEW YORK

360 No. Michigan Ave.
CHICAGO

Pacific Coast Representatives
R. J. BIDWELL CO.

Times Building
LOS ANGELES

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THERE ARE several hundred different bond issues now outstanding which we, as bankers, consider good investments. Each has certain advantages—but not all of them are advantages to you.

We see almost daily the hardship and worry which result from buying the *wrong* types of *good* bonds. Business men with opportunities lost because they cannot readily raise money on their bonds. Widows, with inadequate safety because they hold "business men's bonds." Estates swallowed up by inheritance taxes because of wrong investments.

The securities *you* buy should fit into a personal investment program, based not only upon the fluctuations of industry and a constant income average, but also upon your own plans and contingencies and other personal factors.

Our Offer to Investors

To the man or woman who has funds to invest, we offer the help of our investment specialists in selecting the *right* bonds, from the best bonds the financial world affords.

Our offer is made in your interest as well as our own. It is easy to accept. It entails no obligation.

Simply send for our *Investment Memorandum*. Turn to your page. Put down the facts it calls for and return it to us. The information will be held entirely confidential and, with it as a basis, we will prepare a personal investment program designed to meet your specific needs and plans.

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chief ingredient of which is cellulose. The Commission has considered a number of cases involving the misbranding of textiles which have artificially been given the appearance of silk, and have been sold under trade names including the word "silk" or a modification of the word "silk." In deciding these cases the Commission has consistently held that hosiery or other products which simulate silk, but are not the product of the cocoon of the silk worm, should be branded with the words "artificial silk," or other words which correctly describe the materials of which the article so branded is made.

The word "Rayon" has been adopted by many associations of manufacturers as proper for artificial silk products, and has been extensively advertised to the public. Believing that both the trade and the public now accept and recognize the word "Rayon" in its application to artificial silk or a substitute for silk, the Commission passed a formal resolution in which the term "Rayon" is officially recognized as "meaning and properly designating the artificial silk products, the basis and chief ingredient of which is cellulose."

INCLUDED among the dismissals were cases against a retail lumber dealers association of Chicago, a New York manufacturer of apparatus for softening hard water, a shirt company of New York, a glass manufacturing company of Alton, Illinois, five concerns that make screen doors, window screens and similar products and the company serving as their sales agent, a Detroit milling company and eighteen concerns engaged in the manufacture of beet sugar, and a Milwaukee manufacturer of electrical devices and appliances.

The complaint against the lumber dealers association, dismissed for lack of jurisdiction, alleged a combination to destroy competition between the association members and to increase the prices at which lumber should be sold by them. Commissioners Nugent and Thompson filed a memorandum of dissent to which the majority will reply.

Intimidating and coercing customers of competitors by threats that they would incur liability for using an alleged infringement of patents was the charge against the manufacturer of water softening apparatus.

The shirt company was charged with fixing and maintaining resale prices for its products in cooperation with retailers.

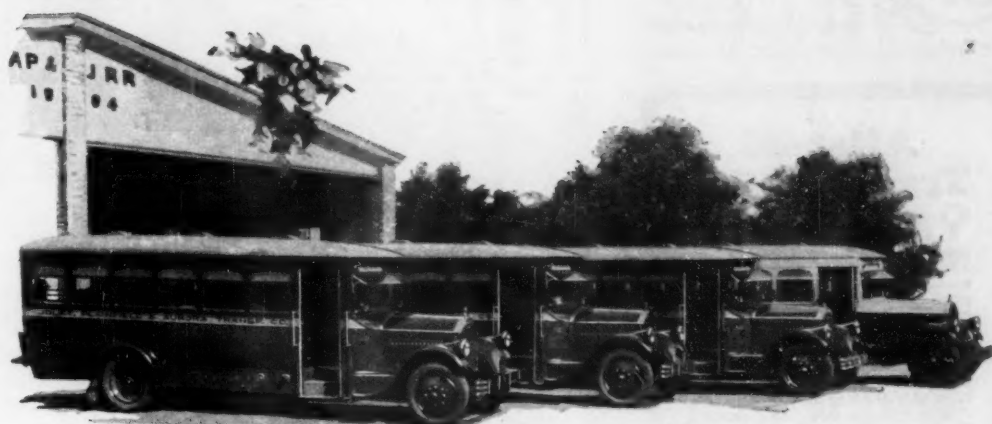
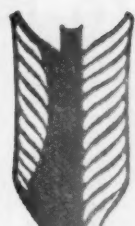
Acquiring shares of the capital stock of competing concerns tended to make the glass company a controlling factor in the glass bottle industry of the United States, the Commission alleged. Commissioners Nugent and Thompson dissented to the dismissal.

On recommendation of its board of review, the Commission dismissed its charge that the screen makers cited had agreed to combine their selling agencies by way of restricting competition in the sale of their products. Commissioners Nugent and Thompson announced that they would file a memorandum of dissent.

On motion of Commissioner Thompson, the Commission dismissed its charge that the manufacturer of electrical devices and appliances was restricting competition in the sale of its products with the use of a "tying contract," alleged to have required the company's customers to purchase from it all controllers which they might require for any purpose. Commissioner Humphrey dissented to the dismissal, asserting among other things, that "The majority apparently gave much weight to the claim that the respondent did not enforce its contract, at least in a large percentage of cases, but it seems to me that this is wholly immaterial . . ." And further:

Apparently the majority applied in this case the rule applicable to the Sherman Act, that is, that an unexercised power is not unlawful, but it seems to me perfectly clear under the decisions above cited that such is not the rule under the Clayton Act.

It seems to me that the third section of the Clayton Act is completely nullified if we lay down the rule that a great concern like the respondent can make contracts of the character of the one under consideration.



Nothing must delay the mails!

Despite winter storms and summer traffic the U. S. Mails must go through on time. That's the job cut out for the Pierce-Arrow busses owned by the Joliet, Plainfield and Aurora Transportation Company of Joliet, Ill.

During the past year these busses, so the operators report, have never run more than two minutes late on the mail schedule, although the roads have been drifted with snow at times.

In addition to the mail service during that same year four of the busses carried 164,229 passengers between Joliet and Aurora.

Yet maintenance costs have been extremely low.

In a recent letter, Mr. Chester G. Moore, general superintendent, says, "Last week we removed the motor from our bus No. 10, which had gone 57,363 miles. I personally took a set of micrometers and carefully measured all parts subject to wear.

"We were unable to replace the piston rings with an oversized ring and replaced them with standard sized rings. There was not enough wear on any bearing to detect with the micrometer. There was no perceptible wear on any of the timing gears or camshaft. Valve guides and lifters were in the same condition.

"I believed in the first place that we had made no mistake when we selected Pierce-Arrows as standard equipment on our line and now I am absolutely sure of it."

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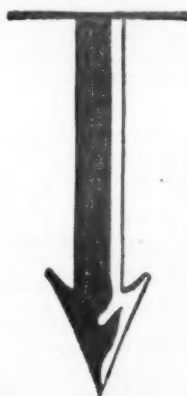
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Standard Chassis

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"THE STORY OF SULPHUR" is the title of the latest film included in the series of educational motion pictures prepared by the Bureau of Mines,

Uses of Sulphur Now Shown in Motion Pictures

Department of Commerce. This film shows the various processes used in the mining, transportation and utilization of a raw material, of which 1,220,600 tons were used in 1924 by industries of the United States.

The film illustrates, by means of easily understandable diagrams, the methods used in the sinking of wells to the sulphur beds at a depth of 1,000 feet. The workings of the Frasch process for the lifting of the sulphur to the surface are clearly shown. In the Frasch process superheated steam is pumped through a pipe to the sulphur level. The steam melts the sulphur, which is then forced to the surface in a liquid state by compressed air and piped to bins. The sulphur solidifies in the bins, some of which can hold 1,000,000 tons at one time. The blasting of these enormous piles of sulphur, preparatory to loading it on freight cars, is graphically portrayed in the film, and there are also pictures of loading machines capable of lifting 4,000 pounds of sulphur at one "bite."

The most important uses of sulphur, as shown by the films, are in the making of sulphuric acid, in the making of paper, in explosives, in fumigating and bleaching, spraying and dusting trees and vegetation, in petroleum refining, in "pickling" steel, in the manufacture of batteries, paints, textiles, rubber, and automobile tires, and in medicine.

Copies of this film may be obtained free of charge for exhibition by schools, churches, clubs, civic and other organizations by addressing the Bureau of Mines, Department of Commerce, 4800 Forbes Street, Pittsburgh, Pennsylvania.

IN ITS REPORT on "The Cattle Industries of Canada and the United States," the United States Tariff Commission considers the comparative production of the two countries, Canada's surplus of cattle, and its possible outlets, comparative prices, the effect of the Tariff Act of 1922 on these

Cattle Business Of Canada and United States

prices, and the present situation in the domestic cattle breeding region including Texas and the "range" states.

The report is obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 10 cents a copy.

A TEST WHICH COULD BE APPLIED to steel hoisting rope to show whether it is in safe condition or not, and which would not require the cutting of a sample from the rope, would be of great value to users of wire rope, the Bureau of Standards decided, so the Bureau began investigation of the possibility of applying some form of magnetic test to wire rope to determine its condition.

Magnetic Test Devised for Hoisting Rope

That apparatus may be intelligently designed for the nondestructive testing of wire rope. The nature and magnitude of the effects involved must be known, the Bureau explains. One of the causes of deterioration is wear, and this fact decided the Bureau to make an investigation of the effect of wear on the magnetic properties and tensile strength of steel wire, as used in the manufacture of wire rope. The Bureau found, it reports, that wear increases the magnetic permeability for low magnetizing force, and

decreases it for higher values—in other words, opposite readings are obtained, depending on the magnetizing force used.

The complete results of this investigation are given in Scientific Paper No. 510 of the Bureau of Standards, copies of which are obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 5 cents each.

THE RESULTS OF AN INVESTIGATION of the hygienic effects of trade conditions on workers in the printing industry have been published by the United States Department of Labor through the Bureau of Labor Statistics as Bulletin No. 392, "Survey of Hygienic Conditions in the Printing Trades."

The bulletin includes descriptions of the operations in the industry—composition, photo-engraving, stereotyping, electrotyping, press work and binding. Book printing, job printing, and newspaper printing are considered in the bulletin.

A report is made of conditions found during the detail inspection of 536 printing trade establishments, with comments on the vital problems that affect the health of the workers. Examples are given of both good and bad conditions, covering housing, light and ventilation, together with the appearance of the plants, working space and sanitary features. There is also a discussion of the welfare of the workers, personnel of the establishment visited, and the hazards of tuberculosis, lead poisoning and accidents.

Bulletin No. 392, "Survey of Hygienic Conditions in the Printing Trades," is obtainable from the Bureau of Labor Statistics, Department of Labor, Washington, D. C.

SINCE 1917 the United States Tariff Commission has reported annually on the progress of the American dye and coal-tar chemical industry.

Census of Dyes Includes Foreign Tariff Rates

In 1921 the annual census was expanded to include synthetic organic chemicals other than those derived from coal tar. The latest report, for the year 1924, in addition to production figures, includes a detailed census of dye imports; a discussion of the international dye trade; developments in the foreign dye-producing countries, especially Germany, France, Poland, and Japan; and official statistics of exports and imports of the more important dye-consuming and dye-producing countries in previous years.

A new feature of the report is a compilation of tariff rates for twenty-six of the chief dye-producing and consuming countries, together with information concerning the license import control of dyes in Great Britain, Germany, Australia, Japan and Persia.

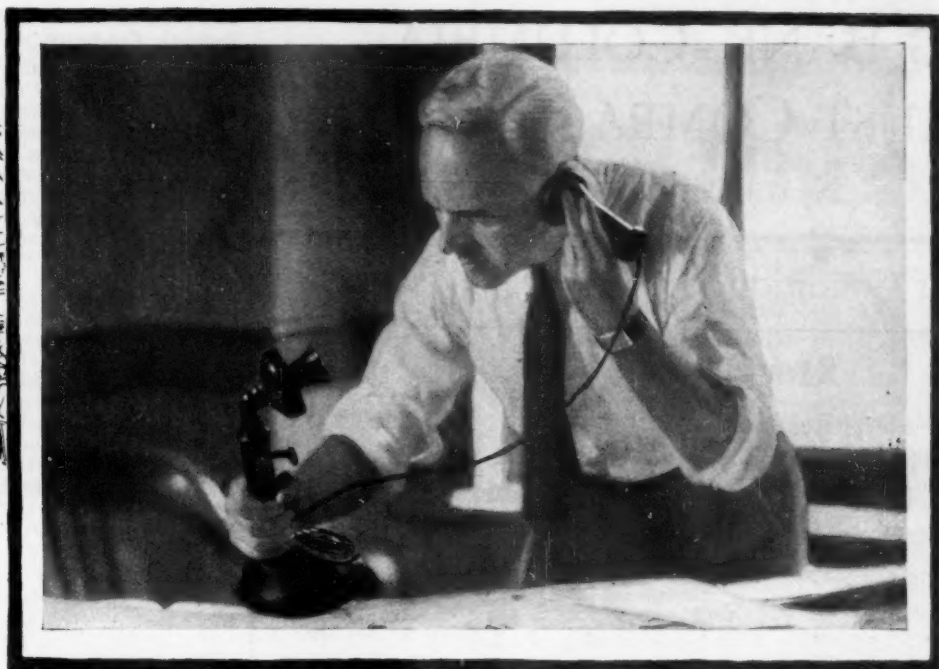
This report, "Census of Dyes and Other Synthetic Organic Chemicals, 1924," Tariff Information Series—No. 33, is obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 25 cents a copy.

USEFUL LIGHT with which sales policies may be determined for the Philadelphia trade territory is provided by the Domestic Commerce Division of the Department of Commerce in its "Commercial Survey of the Philadelphia Marketing Area," a report of 130 pages based on an investigation made by J. Frederick Dewhurst, chief of the statistical division of the Federal Reserve Bank at Philadelphia, with the assistance of Dr. Joseph H. Willits of the Wharton School, University of Pennsylvania, and Paul C. Olson.

Buying Power Of Philadelphia Market Region

In his foreword to the report, Dr. Julius

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MAKING THE DEADLINE

On the World's Greatest Newspaper

The City Editor reached across the desk for his P-A-X phone and quickly dialed 506. Down in the composing room, the foreman's telephone rang out insistently.

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The Chicago Tribune meets these strenuous demands through the use of P-A-X. Every hour of the day and night their 550 automatic telephones convey calls and carry information from one department to another. Reporters are summoned and ordered to the scene of a

story without the loss of a moment—while editors, special writers, research workers, artists, photographers, engravers, compositors and pressroom employees step into action simultaneously,—all this to the end that the latest bit of news may appear on the breakfast tables of more than a half million readers.

Getting out a single day's issue of the Tribune requires an average of 22,506 telephone calls. All inside calls among the 550 house phones are entirely automatic. Connections between departments are made with remarkable speed, and cannot be interrupted until the call is finished. The mechanical switchboard, swiftly, accurately, and untiringly does the work of ten operators.

Nearly 2,000 organizations, in every field of industry, find P-A-X a vital necessity which actually pays for itself in a short time.



The P-A-X is, fundamentally, a private automatic telephone exchange built of the same Strowger type of automatic telephone equipment being so widely adopted for city service. The P-A-X may be furnished to include and co-ordinate such services as code call, conference, executive's priority, emergency alarm, etc., to meet individual needs.

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Home Office and Factory, CHICAGO, ILL., Branch Offices: New York, 21 East Fortieth St.; Cleveland, Cuyahoga Bldg. Representatives in all principal cities. In Canada—Northern Electric Co., Ltd., 121 Shearer St., Montreal, P. Q. Abroad—International Automatic Telephone Co., Norfolk House, Norfolk St., Strand, London, W. C. 2, England. In Australia—Automatic Telephones, Ltd., Mendes Chambers, Castlereagh St., Sydney.

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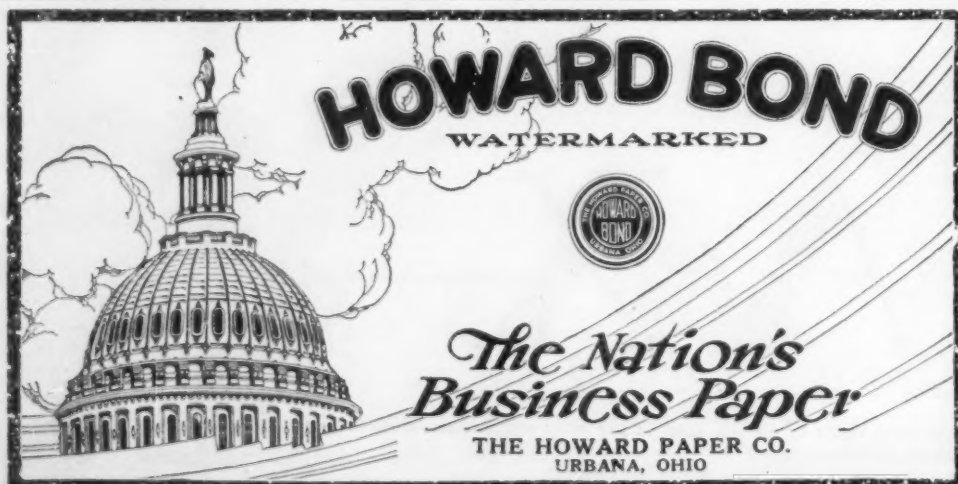
Statement of Condition, September 30, 1925

RESOURCES

Cash in Vault and with Federal Reserve Bank	\$45,208,737.65
Exchanges for Clearing House and due from other Banks	79,551,662.04
Call Loans, Commercial Paper and Loans eligible for Re-discount with Federal Reserve Bank	97,715,291.69
United States Obligations	22,247,818.98
Short Term Securities	32,833,639.64
Loans due on demand and within 30 days	58,069,315.54
Loans due 30 to 90 days	42,462,753.36
Loans due 90 to 180 days	35,838,979.72
Loans due after 180 days	1,585,383.06
Customers' Liability for Acceptances (anticipated \$1,834,683.52)	18,593,877.97
New York City Mortgages and Other Investments	6,722,373.29
Bank Buildings	973,495.68
	<u>\$441,803,328.62</u>

LIABILITIES

Deposits	\$351,342,591.99
Official Checks	36,054,571.58
Acceptances (including Acceptances to Create Dollar Exchange)	20,428,561.49
Discount Collected but not Earned	893,900.16
Reserve for Taxes, Interest, etc.	1,802,091.28
Dividend payable October 1, 1925	612,500.00
Capital Stock	17,500,000.00
Surplus and Undivided Profits	13,169,112.12
	<u>\$441,803,328.62</u>



HOWARD BOND
WATERMARKED

*The Nation's
Business Paper*

THE HOWARD PAPER CO.
URBANA, OHIO

Klein, Director of the Bureau of Foreign and Domestic Commerce, says:

... the Domestic Commerce Division has undertaken a series of regional market surveys of which this is the first. The plan is to analyze the purchasing power of the trade territory dependent upon one of the major cities which is without question dominant in its distribution area... a large amount of field work was carried on for the purpose of demonstrating the more intangible trends of consumer buying habits.

The four main divisions of the report consider the general character of the area, productive industries, commerce and distribution, and regional markets. There is also an appendix which includes discussions of population characteristics, buying power, living conditions, commerce and finance, and the sources of statistics.

This report, "Commercial Survey of the Philadelphia Marketing Area," Domestic Commerce Series No. 1, is obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 20 cents a copy.

STATISTICS OF LEAF TOBACCO held in the United States on specified dates from October 1, 1916, to January 1, 1925, are reported in Bulletin 157

issued by the Bureau of the Census. This bulletin also includes information on the domestic production and consumption of leaf tobacco, imports and

exports of tobacco, and tobacco products, average prices obtained by growers, receipts from farmers by dealers and manufacturers, the quantities of the products manufactured, and the revenue collected by the Government. The reports on the various phases of the tobacco industry are so arranged that they are readily accessible for reference.

Bulletin 157, "Stocks of Leaf Tobacco," is obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 5 cents a copy.

DURING THE FISCAL YEAR ended June 30, 1925, the Bureau of Standards completed 173,261 tests—a considerable increase over previous years.

115,729 tests having been made in 1923, and 135,852 in 1924. The fee value of last year's work was \$547,543, which is also an increase over the amounts

received in 1923 and 1924—\$419,915 and \$509,850, respectively. All income from fees goes to the Treasury of the United States. The expenses incurred in the tests are absorbed by the annual congressional appropriations for the maintenance of the Bureau.

Among the materials and devices tested last year were: precision tapes, analytical weights, clocks, chemical glassware, electrical instruments and lamps, thermometers, sugar samples, radium, cement and concrete, fire resistant safes and roofing, aeronautic instruments, automobile tires, fusible boiler plugs, leather, and paper. According to the Bureau's report to Secretary Hoover, it has served almost every industry and branch of the Government.

USE OF RAYON holds no greater fire hazard than use of cotton yarns, and some kinds of rayon are less hazardous than cotton, says the

Bureau of Standards, basing its findings on the results of a study of the combustion properties of rayon and cotton. This study has been made in

connection with the general problem of the use of rayon in underwear—a problem believed by the Bureau to be of great importance to the manufacturer of underwear confronted with the possibility of fire hazard and correspondingly high insurance rates.

Comparative results have been obtained on four kinds of rayon (acetate, nitrocellulose, cuprammonium, and viscose), and a "35s" cotton

Note patented steel back construction; automatic lock, and double release; steel prongs welded by exclusive process; pressure of single button opens back for speediest possible insertion of sheets.

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Opportunities are still open to high-grade men to share in the rapidly growing distribution of this remarkable office specialty.

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can be visualized at less cost and used with greater speed, efficiency and profit to the business by means of this convenient and portable loose-leaf equipment.

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- 1 *Every single record visualized*—not one blind or hidden, lost or strayed.
- 2 *Space for all you need to see*—name, address, and signals or symbols for all vital information.
- 3 *Compactness*—overlapping sheets save enormously over cards in a file or pages in a bound book.
- 4 *Speed*—because these units are *portable*, can be kept and used where it is most convenient, can be opened in a flash, and have the quickest known means of removing or inserting sheets without disturbing other records.
- 5 *Economy*—low initial cost and low cost of operation.

Write us on your business letterhead and have the Visualizer demonstrated by our nearest branch office.

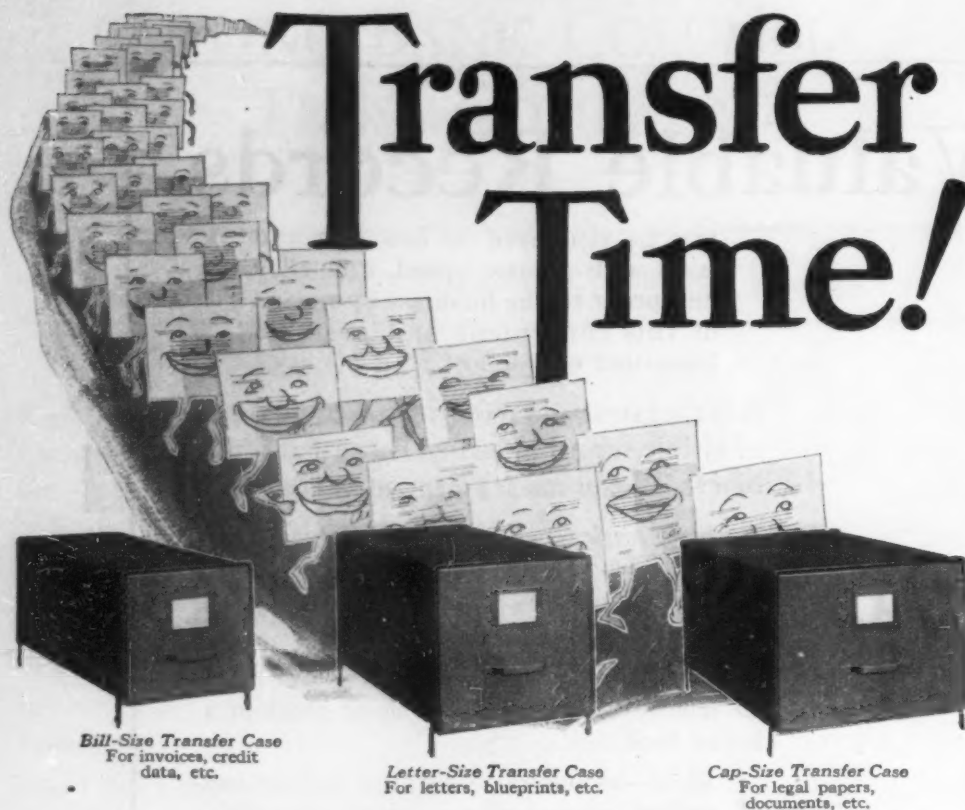
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BROOKS VISUALIZERS FOR ACTIVE BUSINESS RECORDS

CREDIT INDEX									
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NAME									
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STATE									
INITIALS									
Fahler Photo Supplies	B	1017 Summit	Savannah	Ge.				X	
Fahrman Brothers Inc.	A	5510 Glenmore Blvd.	New Haven	Conn.				X	
Fairland Sewing Machine Co.	M	1221 E. 61st St.	Providence	R. I.				X	
Fairbanks Jewelry Co.	B	7221 Bridge Ave.	Newark	N. J.				X	
Fairbairner Furnace Works	C	1211 Sprague	Lincoln	Nebr.				X	
Fairchild Bottling Works	B	11016 Orcutt St.	Portland	Me.				X	
Fairfax China Co.	A	3301 Cook St.	Washington	D. C.				C	



Prepare for it NOW!

Your regular files are crammed full of 1925 business records. You must clear these files for 1926. But you must protect the old records for future reference.

Van Dorn Steel Transfer Cases offer an ideal protection for your old records. Compare these advantages with the out-of-date method of transferring records into paper bundles:

Handsome, olive green enameled cases. Rigid steel construction, electrically welded. Drawers easily removed and replaced. Optional front or rear rollers and compressors. Exclusive interlocking feature of drawers permits cases to be stacked as high as desired, insuring rigidity and preventing stack from tipping when individual drawers are pulled out full length.

A Van Dorn representative in your territory will gladly give you complete details. Or write to us direct.

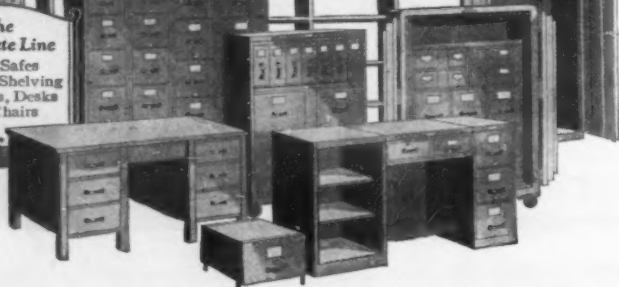
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yarn. Samples of fabric knitted from these yarns were also tested.

The results of the tests showed, the bureau says, that only samples made by the cuprammonium process were ignited more readily than cotton. Rayon made by the viscose process, the Bureau reports, had approximately the same ignition point as cotton; rayon made by the nitrocellulose process was less susceptible to ignition than cotton and rayon made by the acetate process showed the lowest ignition point of all the samples.

IN ORDER TO DETERMINE the holding power of wood screws, the Bureau of Standards is making tests of 10,000 screws of various sizes in seven

Holding Power Of Screws in 7 Kinds of Wood

different kinds of wood—yellow poplar, cypress, sycamore, Georgia pine, North Carolina pine, hard maple, and white oak. The Bureau believes that the tests will provide accurate information for the guidance of industries using wood screws.

The investigation will also include the effect of various factors on the holding power, such as the use of a lubricant.

A REPORT OF THE RESULTS of the movement to stabilize building activity during the period since the publication of the statement issued in

Construction More Stabilized, Says Bureau

August, 1924, has been prepared by the Bureau of Standards for submission to the committee of the President's Conference on Unemployment, which has sponsored this study.

An examination of statistics relating to building contracts awarded and movements of various building materials leads to the conclusion, the Bureau says, that building activity held up better during the late fall and early winter of 1924, and got under way sooner during the late winter and early spring of 1925 than during the three previous years.

The report indicates that, while no major revolution has been accomplished, substantial improvement may be expected if the subject is kept before the construction industries and the public. The movement has made progress, and would undoubtedly continue to make headway from purely economic causes, the Bureau believes, but its progress can be hastened by the activities of the Division of Building and Housing of the Department of Commerce and the cooperation of private organizations with which it has contacts.

ORDINARY BELTING LEATHER made into shoe soles wears better than sole leather is a finding of the Bureau of Standards on the basis of several comparative wear tests.

Belting Leather Tested for Wear as Soles

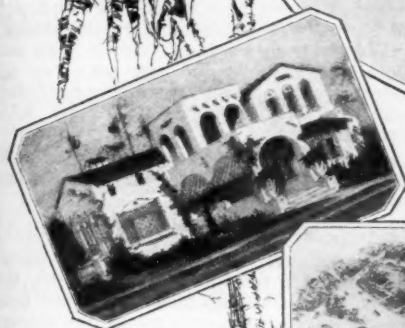
The leathers used in the tests were vegetable tanned, but the belting leather was more pliable than the sole leather and contained 12 per cent of grease as compared with 3 per cent of grease in the sole leather, the Bureau explains.

Further experiments have been completed to determine the effect on the durability of ordinary sole leather of washing out some of the tanning material and then "stuffing" the leather with greases. Leather prepared in this way, the Bureau says, has been tested in comparison with the same type of leather before treatment.

The results of this test, as reported by the Bureau, show that the so-called "curried" sole leather wears approximately 20 per cent longer than the regular product. This increased wear, the Bureau believes, probably is provided by the action of the grease, which makes the leather softer and more pliable. A sole of that sort will yield more readily to sharp objects, rather than wear away as does the firmer leather. The results indicate, the Bureau says, that the so-called "flexible sole leather" made in this country "will give longer life and may be used to advantage by civilians if the service conditions are not severe enough to require a firm leather."

INDRIO

Home of Your Dreams



Left: A suggested Indrio home of Mediterranean architecture

Above: The Oval Basin, Indrio's proposed salt water bathing casino

Right: Suggested duplex apartment building for Indrio



One of the proposed plazas which will add charm to Indrio



Suggested treatment of a business thoroughfare in Indrio



At Indrio is coming true your dream of a perfect life in a perfect setting. Here man is combining with nature to create an earthly paradise—an all-year home town where comfort and charm will predominate.

Indrio is on the far-famed Indian River, a stretch of emerald sea water separated from the Atlantic only by a narrow strip of tropical jungle land. Game fish abound in these nearby waters and wild fowl are plentiful. Sandy beaches and a rolling surf invite the bather.

When blizzards rage in northern cities, or heat prostrations are of daily occurrence, the climate here is delightful. In summer cool breezes sweep in from the sea, while winter days are made balmy by the Gulf Stream. 72 degrees is the average annual temperature.

Fairest of Florida's Townsites

Nowhere else in Florida can be found a more beautiful, more healthful or more accessible spot in which to live. Indrio is but 60 miles north of Palm Beach on the Dixie Highway and Florida East Coast Railway.

Visioned by men of large affairs, with millions at their command, Indrio is already becoming a reality. Eminent architects and landscape gardeners have been engaged to make it America's most beautiful home town.

Parks, plazas, golf courses and boulevards are even now being laid out. These latter range from 100 to 200 feet in width, and will be generously planted with palms.

Architectural unity will be assured by the adoption of the appropriate Mediterranean type of architecture as standard. No residence lot will be less than 100 feet wide.

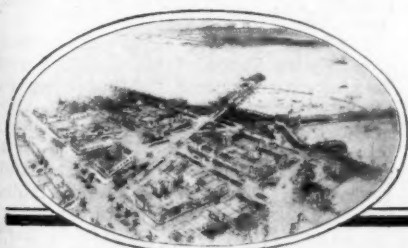
Indrio's projected improvements include a million-dollar hotel, salt water bathing casino, pleasure and boat piers, yacht harbor, tennis and roque courts, bridle paths and an 18-hole golf course. Electricity and pure drinking water will be available at low cost.

Visit Indrio when you come to Florida this winter. Compare it with all similar developments. The coupon below will bring you an illustrated brochure which further describes this miracle of city planning.

Indrio's waterfront as it will appear when completed, showing the Indian River and beyond it the Atlantic Ocean

PHELPS-HENDRICKSON COMPANY
Exclusive Selling Agents for EAST COAST DEVELOPMENT COMPANY
JOHN I. BEGGS, President Box P22, INDRIO, Florida

The proposed Indrio station of the Florida East Coast Railway, whose main line affords frequent service north and south

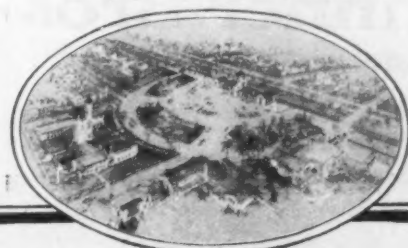


PHELPS-HENDRICKSON COMPANY
Box P22, Indrio, Florida

Gentlemen: Please send me your illustrated brochure describing Indrio.

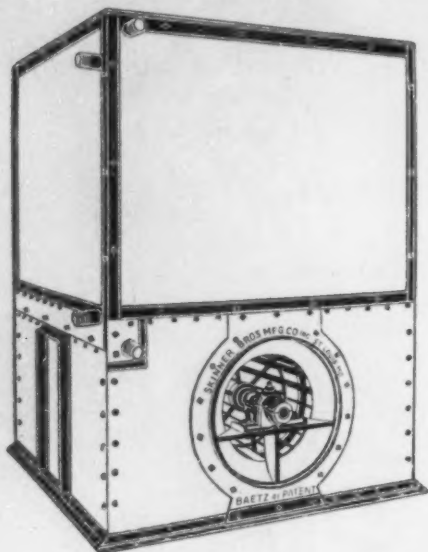
Name.....

Address.....



When writing to PHELPS-HENDRICKSON COMPANY please mention Nation's Business

"We have recently been through several days of very cold weather and the thermometer touched 30 degrees below Zero. We are pleased to advise that your Skinner Bros Steam Coil Heater worked perfectly satisfactory and we are more than pleased with it."—*Draper-Maynard Co., Plymouth, N.H.*



**Skinner Bros Steam Coil Heater
Built for Industrial Plant
Requirements**

Skinner Heaters are individual compact units constructed in the floor type and the inverted type for overhead suspension. They are effective because of their scientific, simple construction. No outside pipes or ducts are used for air distribution. Fan operated by any power available. Use live or exhaust steam at high or low pressure. They are portable and completely assembled before shipment. Easy to install, most economical to operate. The heaters are built in various sizes to meet every requirement of the modern industrial building. Performance is positively guaranteed when installed as directed by our engineers.

Our Engineers Will Advise

Our staff of engineers will, without obligation, advise with Executives, Engineers, Superintendents and Managers concerning heating, ventilating and air conditioning systems for mills, factories, plants, foundries, shops and buildings of every size and type.

See our Exhibit in the Fourth National Exposition of Power and Mechanical Engineering, Grand Central Palace, New York, Nov. 30 to Dec. 5, 1925.

The Newest Edition of Skinner Bros Steam Coil Heater Catalog sent on request

Skinner Bros Manufacturing Co., Inc.

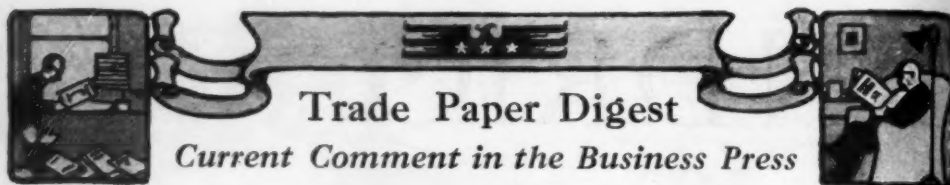
Home Office and Factories

1430 S. Vandeventer Ave., ST. LOUIS, MO.

Eastern Office and Factories

120 Bayway, ELIZABETH, N. J.

SALES OFFICES AND BRANCHES
IN ALL PRINCIPAL CITIES



MERGERS and consolidations in several lines of industry are coming in for a full share of comment in the trade publications. Interest seems to be divided among the proposed bakery merger, the German dye cartel, and the Canadian and Russian wheat pools.

Editorial sentiment on the proposed merger of the Ward, Continental and General Baking Companies varies. The *Modern Miller* says the press comments of the country do not express alarm of a bread trust, with the exception of the Washington papers, and these quote members of the Federal Trade Commission and Basil M. Manly, who see only menace in the union. The *Miller* believes that price wars or unfair competition will not likely result, as reduced cost of operation is contemplated and profits of the established trade of the merging companies will be the first consideration. A Congressional investigation is urged by this paper, to satisfy the public and trade apprehension.

The *New Republic* thinks that the proposed baking merger does not constitute a monopoly and adds: "To get anywhere we must turn away from the old trust-busting tradition toward profits taxation, or price regulation, or public ownership or consumer ownership. . . . We merely wish to point out that the attack of the anti-trust laws and of the Federal Trade Commission on such a problem is a futile one and that to become excited over this attack is worse than futile."

Drug and Chemical Markets, discussing the cartel, says:

Cartel Consolidation Complete

"The long talked about combination of the companies composing the German dye cartel, into a single corporation, with exchange of stock and consolidation of plants, has been completed, according to advices from Hamburg. The cartel is organizing its machinery for more efficient operation and lower costs, to consolidate and strengthen its position in the chemical and dyestuffs world. Plants working on products requiring coal or lignite as a starting point, will be moved to the lignite fields. All efforts are toward mass production at minimum costs."

"In the United States, an echo of the move for greater efficiency in Germany, is heard in the news of consolidation of selling and manufacturing units in the dyestuffs fields. One manufacturer, also sales representative for one of the largest German dye makers, lately became part of the General Dyestuff Corp., into whose hands the sale of German dyestuffs in this country seems to be devolving. Dame Rumor has it that another of the large selling agencies in America will also join the Corporation later and that negotiations are now under way."

"Consolidation of the cartel is rapidly being placed under centralized control, not only in Germany, but over the entire world. The amalgamated cartel is headed by Dr. Bosch, inventor and certainly the industrial advocate of the new solvents and fertilizers, which Badische is developing."

The *Oil, Paint and Drug Reporter* is authority for the following:

\$160,000,000 German Trust

"The German trust-of-trusts in the organic chemical field has a Badische nucleus, and is capitalized at more than \$160,000,000. This is interesting news, but, we believe, somewhat exaggerated."

"The German process of recovering markets lost under the stress of war-time condition will start with consolidations for better and cheaper raw materials and finished products. It will go then to a consolidated selling organization, to the recovering of the foreign markets in countries which have developed no domestic dye industry."

The Canadian Cooperative Wheat Producers, Ltd., are coming in for no little publicity from the farm-and-grain-trade papers of this country. The *National Stockman and Farmer* attributes the slump in wheat prices to the selling of two agencies, the Canadian Wheat Pool and the Soviet Government, adding that such selling "is unexpected in an organization with 'orderly marketing' as its chief object. The Canadian pool controls a large amount of wheat, but owns none, and one of its principles is that being the owner of no wheat it cannot be a forced seller of any." The *Modern Miller*, commenting on this selling, says: "the grain trade has been trying to guess what the pool will do—hold and firm prices, or sell and meet its obligations. There are no bulls—only occasional scared or cautious bears who buy protection."

Paint, Oil and Chemical Review gives a comprehensive view of the merger situation here and abroad in the following:

Mergers Now the Fashion

"Mergers are very fashionable in business nowadays and in some instances, noticeably the railways, they have been not only smiled upon but practically made compulsory by the Government on the theory that they would reduce expenses and thus reduce costs of transportation. Other industrial organizations which seem to have been tacitly permitted by the Government, have occurred in the steel, electrical and meat-packing industries. On the other hand a large proposed merger in the baking industry has recently become a serious bone of contention in the Federal Trade Commission."

"The Department of Justice is said to have instituted proceedings to determine the legality of the combine and the attitude of the Government will depend upon their findings."

"This raises the question as to the legality of all the big combinations and it is one of too great magnitude to be dismissed without an authoritative statement from unquestioned sources."

"Business, large and small, in our own industry and elsewhere will be inclined to ask whether it can proceed along well-indicated lines of normal combination without government interference or not."

Europe Fosters Mergers

"It is interesting in this connection to note that both England and Germany are fostering mergers and that the largest of all, the 'Interessen Gemeinschaft,' of Germany, has extended its scope to include practically every concern in the chemical manufacturing industry, so that the menace to our color industries is apparently greater than ever before."

Packers' School Points Way To Class-Trained Employee

LAST MONTH NATION'S BUSINESS printed an illuminating article on The Institute of Meat Packing of the University of Chicago.

The importance of such an Institute is evidenced by the fact that other industries concede its value and suggest that such combination of business and classrooms would be beneficial to themselves.

The *Manufacturing Jeweler* holds that "there is hardly an industry that does not realize the need of better training for those who are entering it."

The Meat Packers have provided six scholarships of \$500 each at the University of Chicago, and the National Bureau of Casualty and Surety Underwriters has announced the establishing of three university fellowships of \$1,000 each for the purpose of training students to teach safety in the schools with specific interest in the traffic

“By the way,” remarked Edwards, as he sat down to luncheon with Trelease, “your personal stationery is quite impressive. That note you sent me the other day was really very handsome.”

“Yes, I appreciate a nice sheet of paper,” said Trelease. “It’s too bad we can’t do something really good for our business letterhead.”

“Well—why don’t you?”

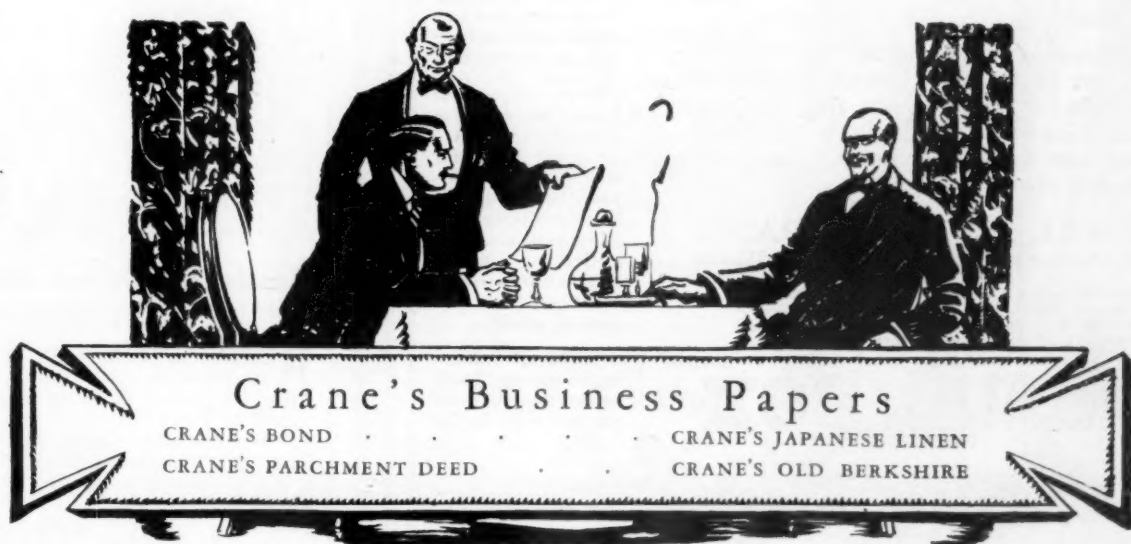
“Oh—we couldn’t. The business wouldn’t stand a leak like that.”

Edwards smiled.

“What do you mean by ‘leak’? Why should you apply totally different reasoning to stationery just because it’s for business?”

This question could fairly be put to many executives who have lumped letterheads in their minds along with erasers, pencils, and typewriter ribbons.

The paper used in business correspondence creates and fixes more impressions, and more definite ones, than does any other contact with the great public of dealers and customers. Fine stationery dresses a business up. It suggests the stability of the sender and the esteem in which the recipient is held. That is why so many of the most successful businesses regard fine stationery as an advertising and selling help.



CRANE & COMPANY, INC., DALTON, MASSACHUSETTS

When writing to CRANE & COMPANY, INC., please mention Nation's Business



Correct Box Design Cuts Shipping Costs

MANUFACTURERS, the country over, call in General Box Engineers to analyze their shipping methods. Often cuts in both container and transportation costs are the results.

If the recommendations call for a type of box or crate made by General Box Company, your container worries are over. Your source of box supply will be certain. Twelve factories render service on a national scale.

Possibly your experience would parallel that of an Illinois manufacturer. He called in a General Box Engineer. On distant shipments the Pioneer Crate designed by the engineer saves enough in freight charges to more than pay the cost of the crate.

Other instances of General Box Service are given in our bulletins—"General Box Service." Write for them. Write, too, that you would like General Box Engineers to study—without cost to you—your box, packing and shipping costs.

GENERAL BOX COMPANY
504 North Dearborn Street - Chicago, Illinois

Factories—Bogalusa, La., Brooklyn, N. Y., Cincinnati, Ohio, Detroit, Mich., East St. Louis, Ill., Illmo, Mo., Kansas City, Mo., Louisville, Ky., Nashville, Tenn., New Orleans, La., Sheboygan, Wis., Winchendon, Mass.

GENERAL BOX SERVICE



ONE SERVICE FROM FORESTS TO FINISHED PRODUCT

To the Receiver

The receiver of merchandise has, or should have, a keen interest in the kind of container used to ship his goods. Progressive manufacturers recognize this and ship in containers that are safe and economical; that can be opened and unpacked quickly—and can be re-used.

Pioneer Boxes and Crates are highly regarded by receivers. They are light and strong. They prevent petty theft. They are opened in a few seconds. The entire top lifts up like the lid of a trunk. Contents are unpacked quickly.

A booklet, "Incoming Shipments" will be sent you free—if you will write for it.

problem, the *Jeweler* says. These scholarships are of interest to the jeweler in that they show the trend of the times toward greater and more complete training for each new job.

The second annual conference on education and industry was held recently in connection with the Meat Packers Institute at Chicago. At the time it was widely discussed by the press of the country. Among the speakers were Charles M. Schwab, chairman of the board of directors of the Bethlehem Steel Co.; E. W. Rice, Jr., honorary chairman of the board of the General Electric Co.; Frank O. Lowden, former governor of Illinois; Maj. Gen. James G. Harbord, president of the Radio Corporation of America; Max Mason, new president of the University of Chicago, and Thomas E. Wilson, head of the Institute. Vice-president Dawes introduced Maj. Gen. Harbord and Mr. Wilson introduced Mr. Schwab.

Railroads Lose Huge Sum Due to Anthracite Strike

SPEAKING of the coal strike, the *Railway Review* estimates that nine railroads serving the anthracite fields are losing \$3,500,000 a week in revenue as a result of the suspension in mining. The cut in revenue has forced the laying off of 15,000 railroad workers. Car loadings on the roads have fallen off 40,000 cars a week. Where each road loads 1,000 cars a day in normal times only 300 a day are being loaded out of coal in storage.

French "Bug" Cars Successful; Upkeep and Tax Costs Lower

THE PERMANENT commercial success of the small European car on its home market and its growing importance abroad can no longer be doubted, according to *Automotive Industries*. It is responsible for the big increase in the number of cars in France and several other Continental countries because it provides cheap individual transportation. In addition, 20 per cent of the sales in France are made to people who own a bigger automobile, but find that a small car is more satisfactory for city service on account of higher average speed in heavy traffic, greater ease of parking and low gasoline, tire and taxation charges.

With gasoline at 46 cents a gallon and state taxation at an increasing rate on a horsepower basis it is advantageous, even when a big car is essential, to supplement it with a small car which will run 40 miles to the gallon and pays an annual tax of only \$12, compared with \$41 for an automobile having a piston displacement equivalent to that of the Ford.

Four French makers, Citroen, Renault, Peugeot and Mathis, are in big production of small two and three-seater cars of utility type and together are averaging about 250 cars a day.

As proof of its belief in the permanency of this development, not only under European, but under world conditions, the Fiat Company of Turin is producing a small car of 60.2 cu. in. piston displacement and has erected a plant which will have a capacity, from next January, on this model alone, of 200 cars a day.

Russia Still Proves Enigma To Agricultural Interests

RUSSIA comes in for notice by the trade papers interested in crop reports and movements. *Price Current-Grain Reporter* explains that in regard to the wheat crop, "the effort to bolster up the credit and to make the outside world believe the bolshevistic methods have brought about a quick transformation are unquestionably responsible for the huge figures which have recently flooded the markets." Russia, the *Reporter* points out, will likely be an enigma for a number of years, as far as grain is concerned.

In another editorial, the *National Stockman and Farmer* points out a fundamental weakness of the new Russia economically and agriculturally. "The Soviet Government of Russia is attempting

ing to develop the agriculture of Siberia and European Russia by demonstration farms, by introduction of machinery and improved seeds and live stocks and by agricultural education. An agricultural first reader for adults has been prepared, putting into story form instruction for both men and women. While all these efforts are bound to have their effect, the one thing which would bring to pass the greatest development of Russian agriculture is not being done and hardly will be done under Soviet rule. This is to restore private ownership of land. With assurance that he might own the land, the Russian farmer would soon become a formidable competitor in the markets of Europe."

Russia will not import any sugar in the immediate future, according to the *Sugar Beet Journal*. The beet sugar crop of the Soviet Union will yield about 900,000 tons of sugar, it is estimated. This is about 60 per cent of the 1910-15 average.

English, Tolerating Gambling, Suffer Big Industrial Losses

SOME PEOPLE in England are perturbed over a nice question in applied ethics: "Should a person receiving the unemployment dole bet on the horse races?" according to a comment in *Commerce and Finance*. This paper continues:

"As a matter of sober history, the heart of the English people, for all the steadiness and solidity of the English character, has long been not merely tolerant but sympathetic with gambling on horse races. Englishmen have liked to see a horse from the king's stables win the Derby.

"If we try to imagine President Coolidge entering a colt for the Futurity and winning the race and how his wide popularity would stand such an unheard-of test, we shall have some idea of the great gulf between the English and the American point of view.

"It has been estimated that 90 per cent of the workingmen in industrial areas bet habitually on the horse races, and it is said that 25 per cent of the poverty in Sheffield and several other big cities is due to the loss of money on the races. Certain it is that the habit levies a lamentable toll on the industry of great masses of the population. It is hard to think of it as other than an economic burden and demoralizing."

Chemical Industries Show Increases Rayon Interest

ADMITTEDLY the Tenth Exposition of Chemical Industries, held recently at Grand Central Palace, New York, did much to increase the general interest in rayon. Discussing this and other features of the exhibition, *Drug and Chemical Markets* says: "The extent to which the manufacture of fabrics from rayon and rayon combinations has expanded during the last two years was a revelation to many chemical manufacturers who visited the rayon exhibit. The extent to which chemicals enter into the various processes of rayon manufacture revealed at least one new field of growing opportunity for manufacturers of chemicals.

"The National Museum at Washington has requested that the display of the Commercial Solvents Corp. showing the channels into which butanol, acetone and other solvents go, be sent there for permanent exhibition. Where the goods of forty lacquer manufacturers were shown, made from these raw materials, this year, two years ago none were on display at the chemical show.

"A new type of filter which bids fair to revolutionize filtration processes of the future was shown for the first time at the exhibition. No plates, no cloths, no screens; only a small centrifugal which could be lost in a corner of the ordinary filter press, a new idea and capable of delivering over a ton an hour of pulp as dry as any ordinary press with the added advantage of continuous operation. Maybe the filter press people are going to have their little "synthetic methanol" episode as well as the wood chemical industry.

"One trip through the chemical show is enough proof that hand labor in the chemical-process industries is slowly but surely being forced out,



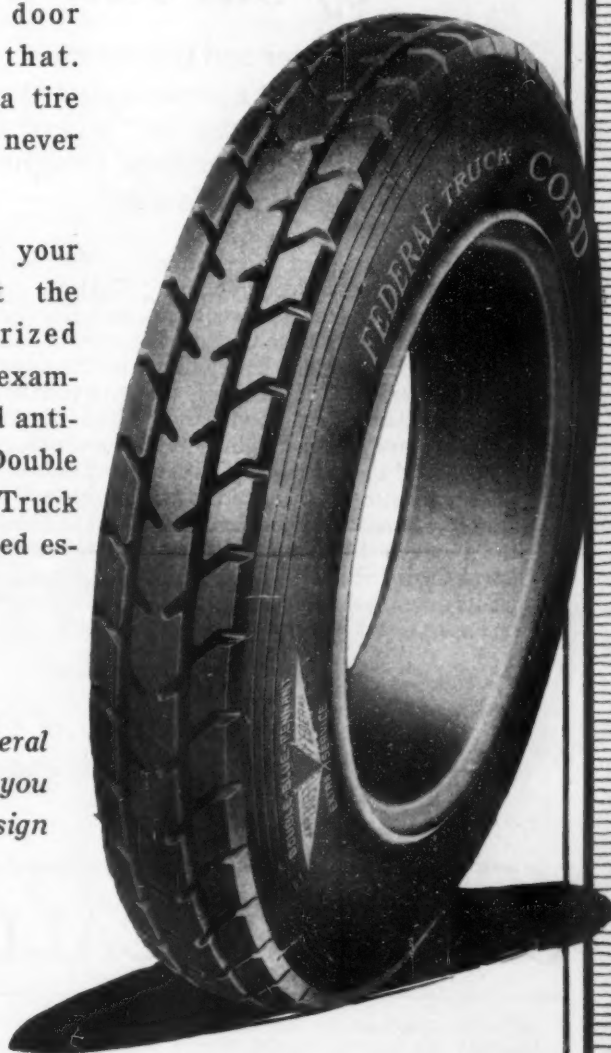
A 100%
Truck Tire Sold
in a More
Satisfactory
Way

NEAR you is a new type of tire merchant who not only sells an unusually good truck tire, but who does business in a way you will like. He is called the Federal Authorized Sales Agent and has both the experience and facilities to serve you well.

But of more importance is the fact that he actually does do everything in his power to satisfy you down to the last detail. The words "Extra Service" on the sign over his door mean exactly that. Here at last is a tire and dealer that never disappoint.

Before you buy your next tire meet the Federal Authorized Sales Agent and examine the big, broad anti-skid Federal Double Blue Pennant Truck Cord Tire designed especially for you.

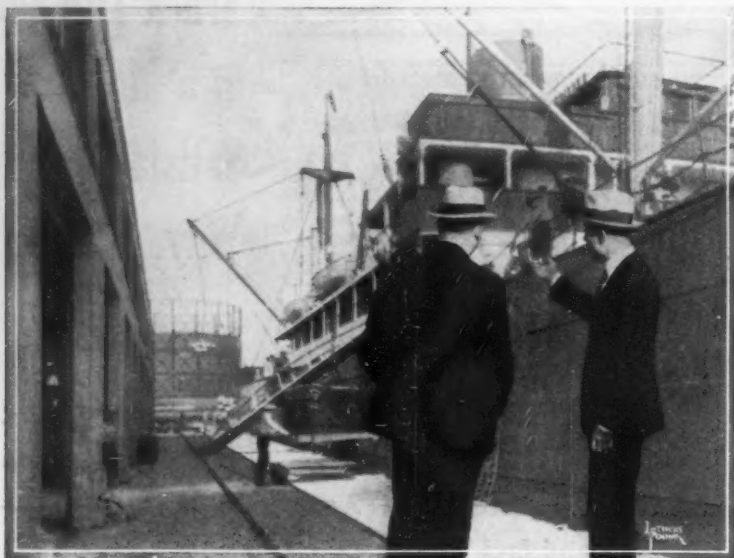
Wherever Federal
Tires are sold you
will see the sign
above



When buying FEDERAL TIRES please mention Nation's Business to the dealer

OAKLAND [AND ALAMEDA COUNTY] CALIFORNIA

Advantages of the West's Fastest-growing Industrial District—No. 2



“Jim, practically all of our raw material

comes in by water and this terminal gives you a good idea of this district's present port facilities. It also explains what we mean by ‘where transcontinental train meets deep-water ship.’ Freight cars are spotted directly alongside ship's side.

Harbor development is keeping pace with the growth of shipping. In addition to Oakland's seventeen miles of harbor frontage is that of Alameda, Berkeley, and Emeryville—all in Alameda County.

“It certainly cuts down costs when you use water freight shipments. Add to that the great deal smaller investment in materials as against finished commodities, and the saving in short haul as against long haul distribution. That is why plants here are showing big profits on Pacific Coast business.

“Oh, yes, I'm enthusiastic over Oakland, both for manufacturing and distributing, and you will find every one else who is located here in the same frame of mind. I can give you the names of over one hundred nationally-known organizations with plants within the Oakland industrial area, every one of which will tell the same story—that Oakland is the logical distributing point for the Pacific Coast.

“We will have a look at the kind of plants some of the big fellows are putting up here.”

(Continued in the January Issue)

A detailed industrial survey of Oakland will be mailed you on request.

Write Industrial Department, Chamber of Commerce

OAKLAND · CALIFORNIA

★This district includes the principal cities of Alameda County—Oakland, Berkeley, Alameda, Emeryville, San Leandro, Hayward, Newark, Niles—and is being advertised co-operatively by the Oakland Chamber of Commerce and the Alameda County Board of Supervisors.

When writing to OAKLAND CHAMBER OF COMMERCE please mention Nation's Business

just as it was in the textile mills during the industrial revolution in England seventy-five years ago.

“What would the mediaeval monks, who debated violently how many angels could dance on the point of a needle, say if they could see a round disc of platinum about the size of a ten-cent piece, perforated with forty-five holes, so small that they are invisible to reasonably good eyesight, until held up in front of a light. These forty-five holes are each seven one-thousandths of an inch in diameter, and the disc is the working part of a spinneret for artificial silk, displayed by the Baker platinum people.”

Each American Has 150 Serfs, A Heritage from Electricity

THE *National Engineer* recently reprinted a speech by Mr. C. E. Skinner which he delivered before the national convention of the N. A. S. E. at St. Paul. Mr. Skinner's title was “Historic High-lights in the Developments of the Electrical Industry.”

He said, in conclusion:

“In America we already have power operated machinery capable of doing as much as could be done by all the able-bodied men in the world working like slaves from sunrise to sunset. Or, putting it another way, we have prime movers installed in this country which make potentially possible the labor equivalent of 150 slaves for every man, woman and child of our population. Assuming that our prime movers work for us only one-tenth of the time—a low estimate—each of us still has 15 slaves to do his bidding. The mechanical power which can be developed at Niagara Falls is greater than that possible through the physical labor of the entire population of the United States.

“The control of an inanimate and powerful machine demands an intelligence far greater than that required to control brute force, either slaves or animals. The driving of a locomotive or the control of a steamship or an automobile may be cited as an example of this kind. The physical labor required for doing these operations is almost invariably less than that required by some older methods.

“Where will all this development end, or will it end? It will end only when all peoples of the world have equal opportunities, equal tools and equal comforts. Mankind may then settle down to a long period of rest from mechanical toil and find time to develop culture and to perfect details. Oriental culture and western machinery may be harmonized, and civilization of the entire human family will, undoubtedly, be equalized. Whether this be up or down will depend very largely on whether we use mechanical power for the betterment of the peoples of the world or for their destruction.”

Crooked Wholesaler a Menace, Says Coal Industry Magazine

AT LEAST once a year, according to *The Black Diamond*, and in prosperous times more often, the coal trade is afflicted with a “wholesaler” whose practices are beyond the pale. The characteristics are always the same. Credit rating is either vague or entirely fictitious. If there is no anthracite because of the strike this genius will have a liberal supply of it. He will have a bituminous grade with ash content non-existent. He will get credit from some operators, he will get the cash in advance of shipment from buyers, and he may even carry the fraud farther in the devious crooked ways of the shyster. In the end the buyer finds that he has been sold the blue sky and that there is no refund. *The Black Diamond* continues:

“It is time to put a stop to this evil by the use of plain common sense in the buying and selling of coal. Publicity is one deterrent factor in the successful operation of this type. Twenty years ago Chicago was a working center for a number of the gentry. Now New York goes into the limelight with the incarceration of D. W. Wood. We invite an opportunity to serve the trade by giving publicity to these rascals.”

When your check "falls among thieves"

DON'T be too sure that it can't. Every time you send a check out, it is liable to be way-laid on the way to the bank by crooks skilled in use of the pen and eraser—who can raise the amount to a figure that would seriously embarrass you if paid.

As proof of the risk you run, the American Institute of Accountants has estimated that business men lose annually,

through check fraud, \$100,000,000.

When you realize that those who suffer losses at the hands of check raisers and forgers immediately take means to prevent them in the future, a new lot of victims must become the prey of the crooks. Maybe your business is being investigated now by these criminals. Are you sure that your checks can resist their skill?



Eliminate check fraud by using these modern banking aids

The Protectograph eliminates a large percentage of all check frauds by preventing raised amounts. The Protectograph is made in a variety of standard models, one for every type of business, priced from \$37.50 up. It shreds the amount line, in indelible ink, into the very fibre of the paper. It is unexcelled in speed and ease of operation—a favorite with the men and women who use it. And a saver of time in office routine. Only Todd can make a Protectograph.

Todd Greenbac Checks, with their patented self-canceling features, eliminate another major source of possible check losses by preventing change of payee's name, date and number and "counterfeiting." Todd Checks are the handsomest as well as the safest checks made. Superbly printed or lithographed, they are made only to order, never sold in blank. Whether designed for business or personal use, they are reasonable in price, even when purchased in small quantities.

Standard Forgery Bonds cover the remaining check-fraud possibilities, namely, forgery of signature and forgery of endorsement. Qualified Todd users receive policies at the most advantageous discounts from the Metropolitan Casualty Insurance Company.

When the Todd salesman calls, remember these facts about his company:

Twenty-six years of service and leadership in the check-protection field.

Sales and service offices in all principal cities of this country and in 30 foreign countries.

Salesmen are experts in protecting business funds. Their training and selling methods merit your confidence.

Over 1,000,000 Protectographs in use. Todd Protectographs are kept in perfect working order by service men in principal cities.

Write for "The Lure of the Check" It gives the inside story of the check sharper. The Todd Company, Protectograph Division. (Est. 1899.) Rochester, N. Y. Sole makers of the Protectograph, Super-Safety Checks and Todd Greenbac Checks.



TODD SYSTEM OF CHECK PROTECTION

Ts

THE TODD COMPANY 12-25
1174 University Avenue
Rochester, New York
Gentlemen: Please send me a copy of your booklet, *The Lure of the Check*.

Name.....
Address.....



It Was Not Age

That gave him that tired and careworn look.

It was the "LURKING DANGER" Disease which had crept into his system—unsuspected, and had gained its unrelenting hold.

His "pep and personality" had gone.

Disease begins with a tiny spark, some little irregularity.

It is generally unnoticed and neglected.

You should know where the danger lurks and have it "nipped in the bud."

In our laboratories we watch the state of your health as revealed by urinalysis. Our scientific periodical check-up enables you to prevent the onslaught of disease.

It takes little of your time or money to be on your guard.

Mail the coupon for our new brochure "THE SPAN OF LIFE." We will send it to you free.

National Bureau of Analysis
F. G. SOULE, President and Founder
N. B. 125 Republic Bldg., Chicago, Ill.

National Bureau of Analysis,
N. B. 125 Republic Bldg.,
Chicago, Ill.

Gentlemen: Please send me free of charge a copy of your brochure "The Span of Life."

Name.....

Address.....

News of Organized Business

REPORTS made to *Building Age* and *National Builder* by chambers of commerce in 590 cities and towns throughout the United States disclose a dominant need for 220,000 one-family houses of moderate price. This condition was discovered in an investigation to determine whether or not a building shortage exists, and if there is a shortage, what types of structures are needed to meet it.

Although apartment houses still find favor in the smaller cities, the reports show that the demand for them in smaller cities is less than in larger cities.

Cities of from 25,000 to 75,000 reported the greatest lack of structures of all kinds—indicating that they are growing more rapidly than the cities in other population groups.

That there may be some idea of the normal requirements for housing, *Building Age* and *National Builder* explains:

... we must consider that the increase in population, 1,873,076 annually, amounts to 5,132 persons per day. The average number of persons in a family is five, so it is absolutely necessary for the United States to provide 1,026 new homes every day in the year! As there are 365 days in a year, this means that annually there are 374,615 homes needed in this country. To this should be added replacements of existing structures made necessary by decay, fire loss, etc.

and concludes:

Our figures disclose that as we enter 1926 the actual building situation is still over a year behind, and this shortage, plus normal annual requirements, has to be made up before normal conditions again prevail. Each year, of course, brings its own amount of normal building which increases year by year as population increases.

Newark to Display French Art

A REPRESENTATIVE exhibit of modern French decorative art is to be made accessible to the citizens of Newark through the enterprise of the Newark Museum Association. The exhibit will be restricted to machine-made articles because the Museum "considers it impossible to do justice to the entire field of decorative art



in a museum exhibition," and because "it believes that only through machine production will America's problems in decorative art find their solution."

Explaining the Museum's service to industry, John Cotton Dana, director, said:

While it is impossible for a museum to originate styles and to create designs in the field of industrial art—that is, in decoration—the Newark Museum has from the first dedicated itself to the task of stimulating the production of American styles and American designs. It was the first museum in the United States to preach the doctrine that a museum should be useful to industrialists. . . . It is significant of the change in museum ideas which has come about in the last decade that the most pretentious and "arty" museums in America are now contending with each other for leadership in a field which they considered too commercial for museum consideration in 1912. . . .

In this connection it is pertinent to note that the possibilities of chamber interest in industrial art were defined in a proposal made by the Boston Chamber to form a committee on civic and industrial art.

By way of indicating the purpose and scope of the chamber's proposal, the president said:

"We all realize that art cannot be 'promoted,' but intelligent appreciation is a thing which should be encouraged." And further:

A chamber of commerce can hardly function completely in safeguarding and expanding the well-being of the community which it represents unless it accords much more than formal recognition to good taste or art—as a factor in commercial affairs. Such recognition implies on the one hand, the right to interfere where the exercise of public or private bad taste threatens to prove a liability to the community, and on the other hand the duty to render assistance where industry or commerce is seeking the aid of good taste—or art—in furthering its business ends. . . .

The study of industrial art is necessary to compete favorably with European nations and, even in our own American markets, for the finer grades of manufactured articles. More and more it is becoming clear that the appearance of the product of manufacture is a large factor in its sale. Merchants realize it is often the attractive container that sells the goods.

Campaign to Cut Taxes in Virginia

IN MAKING its campaign for tax reform, the Virginia State Chamber of Commerce, through its committee on taxation, has presented a "pie" diagram showing that the principal items of Vir-



ginia's authorized expenditures of \$30,836,657 for the fiscal year ending February 28, 1926, are: Roads, 37.53 per cent; education, 35.27 per cent; and administration, 12.57 per cent.

A similar diagram of the estimated revenues of \$30,137,710 during the same period discloses the chief sources to be: License tax on automobiles, 12.44 per cent; franchise tax on public service corporations, 11.95 per cent; real estate, 7.34 per cent; income tax, 6.30 per cent; licenses, 6.64 per cent; intangible personal property tax, 5.31 per cent; Federal aid for roads, 4.81 per cent; insurance companies tax, 3.55 per cent.

The diagrams are included in the second report of the Committee on Taxation. Copies of the report are obtainable from the Virginia State Chamber of Commerce, Richmond, Va.

Scranton Members Make 3-Day Tour

A THREE-DAY "good-fellowship tour," made by members of the Scranton Chamber, included stops at Binghamton, Elmira, Buffalo, Detroit, Syracuse, and Rochester. Information on the tour was presented in a 16-page booklet, which gave the populations, and a brief recital of the civic and industrial accomplishments of the cities on the route.

The instructions to the "trippers" cautioned to "keep your head," explained the purpose of the tour, urged the members to "get acquainted on the trains, on the boat, and at meals," and warned that "any man with a grouch lasting more than thirty seconds will not be tolerated on the train without special treatment." The refrains of seventeen songs were printed in the booklet.

A folder, done in colors, with the title "Scranton Flyers," was distributed by the tourists to inform their hosts of Scranton's financial, commercial, and industrial importance and facilities.

Chemical Society Essay Contest

THROUGH the American Chemical Society, Mr. and Mrs. Francis P. Garvan, of New York, have again made available six scholarships in Yale University, Vassar College, or other educational institutions to high school and sec-

Applying the Roller Bearing to INDUSTRIAL DEMANDS

THE ENDORSEMENT of the Timken Tapered Roller Bearing for industrial applications by Dodge engineers followed the result of years of study of various types of low friction bearings under the severe conditions imposed by power transmitting and industrial service.

The Dodge-Timken Roller Hanger Bearing, which has proved every original claim in America's leading industrial plants, was followed by the Dodge-Timken Roller Bearing Pillow Block and the Dodge-Timken Tight and Loose Pulley.

The Dodge-Timken Standardized Unit Mountings for built-in applications to duplicate machinery is a further logical step in the development of a complete line of standardized low friction industrial bearings. The unit mounting permits the use of Timken Tapered Roller Bearings in duplicate machinery at a minimum engineering and production cost.

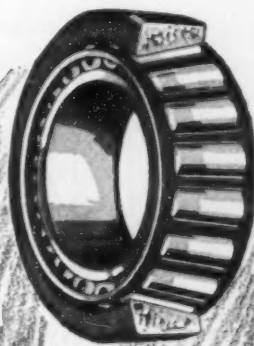
Every Dodge-Timken product is characterized by the ruggedness that means continuous power savings, trouble-free operation and long life.

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Dodge-Timken Roller
Hanger Bearing

DODGE TIMKEN

POWER TRANSMITTING - ELEVATING - CONVEYING & SPECIAL MACHINERY



The Mathews Roller

The bearing, supported by the housing in the end of the roller, is held firmly in the correct operating position but is easily removed when necessary.

Mathews builds both gravity and power conveyers, including straight gravity roller, roller spiral, metal chute, apron, belt, automatic elevator, etc.

Time Tests the Stuff that Quality's Made Of!

ON the next trip through your plant take a good look at your conveying equipment that has been in service more than five years. How much of it is still paying its way, plus a dividend on the original investment?

That's the real test of quality. It is the test which Mathews Conveyers have met in an imposing number of large and small plants where records tell the story.

These performances over periods of five, ten, fifteen years, under every condition of service from one-pound boxes of candy to gray iron castings weighing tons, demonstrate the inbuilt quality of Mathews Conveyers.

A Mathews representative will be glad to tell you about some of the things that go into Mathews Conveyers beside steel tubing and bars; the things that make Mathews Conveyers go on carrying your loads year after year. Call him in.

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ondary school pupils of the United States. The awards will carry tuition fees and \$500 a year for four years. Six prizes of \$1,000 each have also been provided for students of collegiate grade. Essays on designated subjects will be the bases of the awards.

Any one interested in these contests may obtain further information from Paul Smith, secretary of the Committee on Prize Essays, American Chemical Society, 85 Beaver Street, New York City.

Philippines As a Source of Rubber

THE PHILIPPINE ISLANDS can grow all the rubber needed by the United States and can save American tire-users and other rubber consumers a large part of their rubber costs, as well as provide a substantial revenue to the people of the Philippines, according to John W. Haussermann, vice-president of the American Chamber of Commerce of the Philippine Islands and chairman of the Chamber's mission to the United States.

Mr. Haussermann believes that "the remedy for the present situation, by which we have to import a very large part of our consumption of more than 300,000,000 tons of crude rubber from territory under British control, is not criticism of the acts of Great Britain, but the actual production of rubber under our own flag."



And further, that "the principal beneficiaries of the development of the rubber-growing industry in the Philippines would be the Filipino people, as it would mean a new source of revenue to them and the opportunity for the cultivation of a new crop for a world-wide market. The small grower would benefit by the world demand to the same extent as the large grower."

Traffic Cops to "Sell" Fort Wayne

THROUGH the initiative of the chamber, traffic policemen of Fort Wayne, Indiana, are to be rewarded for their help in advertising the city. The chamber's first step in applying its new plan was to give a dinner for the traffic director and the traffic squad. At the dinner an inquiry was begun to determine which policemen were most effective in "selling" the city and in creating good-will for it. A committee will continue the investigation throughout a year, and at the end of a year prizes will be awarded to the three officers with the best records.

A "Daddies Club" at Los Angeles

A "DADDIES CLUB" to assist disabled ex-service men has been organized by the Los Angeles chamber. Each "daddy" is to serve as a counselor to veterans during the period between their training and their employment. Members of the club will cooperate with the United States Veterans Bureau.

Prizes for Improved Playgrounds

TO ENCOURAGE the beautification of America's playgrounds, the Harmon Foundation of New York City has offered thirty-three prizes to communities in which the playgrounds show the greatest improvement during the period from October 6, 1925, to November 1, 1926.

The contest is open to any playground, athletic field or outdoor space used primarily for active play and games, and administered by non-commercial groups in the United States and Canada. A prize of \$500 is to be awarded for the "best" playground in communities in each of three population groups—communities under 8,000; communities from 8,000 to 25,000; and communities of more than 25,000 persons. Additional awards of \$50 each will be made to ten other playgrounds which rank highest in each group.

The awards are to be administered by the Playground and Recreation Association of Amer-

ica, 315 Fourth Avenue, New York City, to which all entries and correspondence regarding the contest should be addressed.

"Convention Dates" Booklet Issued

A NEW edition of "Convention Dates of National and Trade Associations," prepared by F. Stuart Fitzpatrick of the National Chamber's Organization Service Bureau, has been issued under date of October 1. The dates and places of meeting are given in an alphabetical arrangement of the names of the organizations, and the conventions are also grouped by months. With the name of each organization is given the name of its secretary and the location of its headquarters.

Copies of this compilation are obtainable on application to the Organization Service Bureau, Chamber of Commerce of the United States, Washington, D. C.

Chamber Reports Foreign Trade

A STATISTICAL consideration of the foreign trade of the United States during the first half of 1925 is presented in a report issued by the Foreign Commerce Department of the National Chamber. Included in the Department's analysis is a list of the most important imports and exports in value and quantity.

Copies of the report are obtainable on application to the Foreign Commerce Department, Chamber of Commerce of the United States, Washington, D. C.

A Short Course in Real Estate

AN INTENSIVE short course in real estate was arranged for presentation at Northwestern University by the National Association of Real Estate Boards in cooperation with the Institute for Research in Land Economics and Public Utilities, and Northwestern University. The course was intended to train teachers of real-estate courses now being presented in more than two hundred cities in the United States and in Canada by member real-estate boards, by universities and colleges, by Y. M. C. A. Schools and by other vocational institutions.

Graduate students of Northwestern University and of the University of Chicago, active real estate dealers and leaders of real-estate vocational classes were eligible to enroll for the course. Among the subjects included were: Principles of real-estate practice, real-estate law, real-estate appraisals, real-estate finance, land economics, and real-estate transfers and conveyances.

"Management Week" Observance

A DISCUSSION of "Wastes in Distribution" marked the fourth annual observance of "Management Week," established in 1922 by a group of engineering and technical societies as a means to direct public attention to specific problems of management. Topical discussions of the general subject included: The product, the market, the sales method, the sales policy, and the middleman.

The work of organizing this educational movement is now centered in a permanent committee representing the following associations and societies: American Society of Mechanical Engineers, American Management Association, National Association of Cost Accountants, Society of Industrial Engineers, and the Taylor Society. Meetings are held in cities throughout the United States by and with the cooperation of the local members of the organizations named, and the interests of business men in the movement are served through chambers of commerce, Rotary Clubs, Kiwanis Clubs, Lions Clubs, and similar groups.

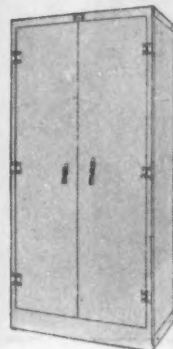
Warren Wants New Industries

SILK mills and shoe factories are wanted in Warren, Pennsylvania, and the chamber there believes these industries could be profitably established in Warren. By way of communicating this belief, the chamber is making a complete survey of the town, under the auspices

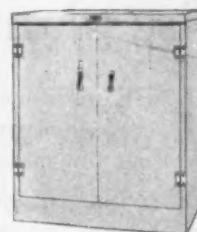
THE LYMETCO LINE OF STEEL CABINETS AND TABLES



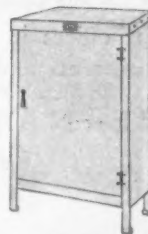
Won-dor



Tu-dor



Counter-hi



Desk-hi



Li-flat



Steel Tables

Adaptability Marks The Lymetco Line

STEEL becomes pliant in the hands of Lymetco designers and workmen. In office, factory or home, The Lymetco Line of Steel Cabinets and Tables adapts itself to varied storage needs.

Convenience, protection, fine appearance, durability—these are the boons of steel handled by men who know both your needs and their material.

The Lymetco Line fits any surroundings as easily as it adapts itself to any need. You may have—at only slight extra cost—a finish of oak, walnut, mahogany or ivory gray in place of the enamel of Lymetco green.

Because such items as Tu-dor, shown above, are as suited for wardrobe, linen or preserve storage as for stationery and records, The Lymetco Line is sold by furniture and department stores, by stationers and office supply stores. Write for name of dealer near you and for full description of The Lymetco Line.

LYON METALLIC MFG. COMPANY
AURORA, ILLINOIS



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incomes are
better than
one"



Wise planning—certain progress

THE professional man should take care to supplement his present income by the income from well-chosen securities. Wise investing now means less worry and more comfort later on.

Ill-considered speculations, needless spending—both heavy drains on resources—find no place in the planning of a second income. That is why the consistent bond buyer has so much to show for his effort.

Our offices in fifty leading cities are ready to analyze your requirements and suggest suitable offerings.

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Marietta

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Dallas
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Parkersburg

When writing to the above advertisers please mention Nation's Business

of the Pennsylvania State Chamber of Commerce. Warren has a population of fifteen thousand, and 98 per cent of the workers are Americans, the chamber reports. There are five banks, with resources of more than \$26,000,000.

Industrial Aspects of New Orleans

A STATISTICAL summary of New Orleans' progress in trade and manufacturing is presented in "Industrial New Orleans," a 30-page booklet published by the New Orleans Association of Commerce. The report was prepared by the committee of management of the Industrial Bureau, assisted by the Research and Publicity Departments. Included are lists of factories and their products, and information on the resources and facilities for manufacturing and transportation, raw materials available, imports and exports, and freight movements.

The city's strategic position for world trade is shown by a map, and its population and growth are visualized with a chart.

Bakers Plan Nutrition Study

PROGRESS in investigating the nutritional values of foodstuffs has been usefully accelerated with the organization of a Department of Nutritional Education in the American Institute of Baking and a contribution of \$100,000 from the Robert Boyd Ward Fund, Inc., for the work of the Department. This contribution is payable in five annual installments, and is to be administered by the directors of the Institute.

The new department will establish facilities with which to provide information on the nutri-



tional values of foodstuffs not only to the baking industry, but also to housewives, teachers of home economics, child welfare workers, the medical and dental professions, and to consumers in general.

In his letter transmitting the first installment of \$20,000, W. B. Ward, president of the Robert Boyd Ward Fund, wrote: "I hope that the idea of such a department may appeal to others in the industry and its allied trades so as to result in other gifts to you, and that your work in the education and science of nutrition will redound to the credit of the industry as a whole."

Tax Proposed for Advertising

A SPECIAL tax levy to raise money for advertising Georgia is proposed by the newly organized Georgia Association of Commercial Secretaries, and a committee has been appointed to draft a bill for presentation to the next session of the legislature. Discussing the proposed tax, E. L. Niel, of Albany, chairman of the committee, said that taxation is the only means by which the state could be properly advertised, and the means through which all Georgia citizens would contribute to a cause that concerned them as much individually as it does the state.

Officers elected at the organization meeting held in West Point include: President, W. H. Proctor of Dublin; vice-presidents, W. H. Foster of Rome and C. C. Thomas of Griffin; secretary-treasurer, J. T. Wheldon of West Point.

Veteran Workers Are Honored

CHAMBERS throughout the country continue to cooperate with the employers in honoring veteran office and factory workers of their cities. At Cincinnati the chamber joined with employers in giving a dinner to 516 workers, each with a continuous service record of twenty-five years or more, and with an aggregate service of 17,489 years.

The chamber at Jamestown, New York, gave a dinner for 337 men and women who had served twenty-five years in one store, office or factory.



G-E lighting units illuminate the streets in Stamford, Conn

Fourteen advantages

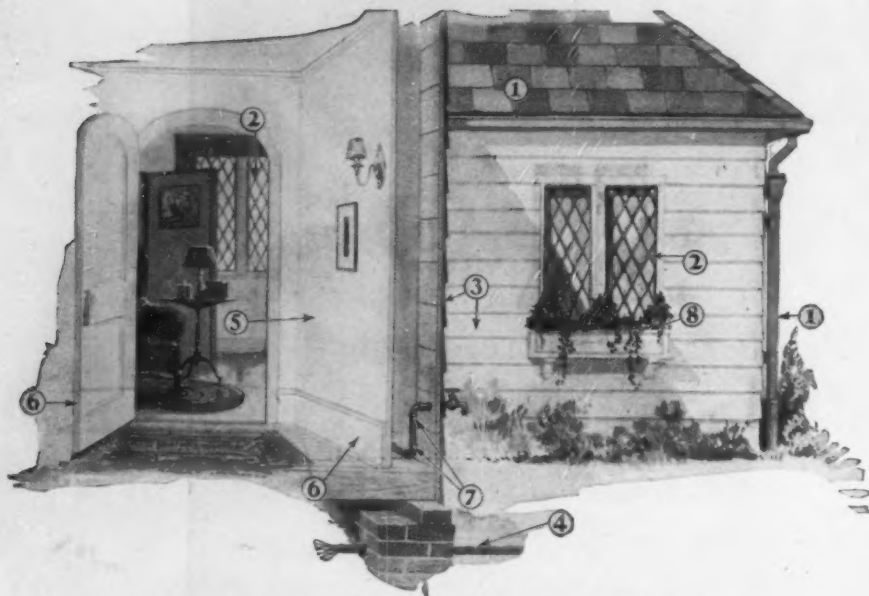
Which of these advantages does your city need most? Good street lighting brings them all.



Your city may be interested in all these points, or in but a few. Talk it over with your neighbors. Decide which points to call to the notice of the city officials. And tell them that the illuminating engineers of the General Electric Company will supply plans that have proved their value in other cities.

1. More business on downtown streets
2. More buyers from out of town
3. Stronger impression of thrift and progress
4. Fewer overhead wires
5. Better civic pride
6. Help for the fire department
7. Less crime
8. Safer playgrounds
9. Promotion of other improvements
10. More industries
11. Increased real estate values
12. More sanitary condition of streets
13. Improved traffic control
14. Fewer traffic accidents

GENERAL ELECTRIC



(1) Gutters and leaders—they're lead. (2) Clapboards are protected with white-lead paint. (3) Lead casing gives complete protection to the underground electric service wires. (4) The interior walls are beautified with sanitary white-lead paint. (5) Water supply line fittings are made tight with red-lead. (6) Even the lining of the picturesque flower box can withstand endless weathering. It, too, is made of lead.

Four walls—a roof—and LEAD

How the wonder metal of many uses helps man build for beauty and permanence

CAN lead be turned into gold? Look at this picture. In it is the answer to the old alchemist's dream. For today man has done more than transform dull pigs of lead into so many glittering nuggets. In his effort to beautify and protect the four walls and roof of his home, he has discovered that lead is the more useful, and therefore gladly exchanges the gold for lead.

The hand-wrought gutters and leaders, for example, are not only beautiful today, but they will also be beautiful fifty years, one hundred years, from now. Weather can't wear them. They are made of lead.

The spirit of old craftsmanship is expressed in the rustic casement windows—expressed in a form that will remain unchanged through the centuries. All the comes that hold the glass in place consist of lead.

Lead you look at but do not see

Still another form of lead, one in most general use today, is present in this modern home. It doesn't look like lead—yet it is made directly from lead and possesses the metal's superior qualities of endurance, weather resistance and protection.

You'll find it on the clapboards and exterior trim. You'll find it on the interior walls and woodwork. It is the basic carbonate of the metal,

called white-lead, which makes a paint that gives both beauty and complete protection to the surface.

There are many other unseen uses of lead in this home. Lead helps to give the glass of the electric light bulbs their transparency, also the fine glass tableware its brilliancy. Lead is in the glaze of the chinaware and in that of the bathtub and sink. A lead device makes it safe to telephone when lightnings play. And bearings composed of a lead-tin alloy reduce friction in the motor of the whirling electric fan.

National Lead Company makes lead products for practically every purpose for which lead is used today in art, industry and daily life. If you would like to know more about this wonder metal of many uses, just write to our nearest branch.



NATIONAL LEAD COMPANY

New York, 111 Broadway; Boston, 111 State Street; Buffalo, 116 Oak Street; Chicago, 900 West 18th Street; Cincinnati, 659 Freeman Avenue; Cleveland, 820 West Superior Avenue; St. Louis, 722 Chestnut Street; San Francisco, 485 California Street; Pittsburgh, National Lead and Oil Co. of Penna., 316 Fourth Avenue; Philadelphia, John T. Lewis & Bros. Co., 437 Chestnut Street.

Coming Business Conventions

(List prepared from information available November 1)

Date	City	Organization
December		
1-3...	Atlanta...	American Face Brick Association.
1...	Washington...	American Warehousemen's Association.
2-3...	Chicago...	Western Cannery Association.
2-4...	Chicago...	National Association of Amusement Parks.
3...	New York...	American Acceptance Council.
3...	New York...	National Council on Compensation Insurance.
3-4...	New York...	Toy Manufacturers of the United States.
1st wk...	Chicago...	International Association of Fairs and Expositions.
7-12...	St. Petersburg...	Investment Bankers Association of America.
8...	St. Petersburg...	Eastern Paying Brick Manufacturers Association.
8-9...	Pittsburgh...	National Glass Distributors Association.
8...	Boston...	New England Cotton Buyers Association.
8...	New York...	Pencil Makers Association.
8...	New York...	Shoe Polish Manufacturers Association of America.
8...	Spartanburg, S.C.	Southern Hotel Association.
9-11...	Pittsburgh...	Coal Mining Institute of America.
9...	Barre, Vt.	Granite Manufacturers Association.
9...	New York...	Linseed Association of New York.
9-10...	New York...	National Association of Brazen Manufacturers.
9-10...	Chicago...	National Association of Piano Bench and Stool Manufacturers.
9-10...	Washington...	National Rivers and Harbors Congress.
9...	Chicago...	Wholesale Sash and Door Association.
11...	St. Louis...	American Corn Millers Association.
11...	New York...	Synthetic Organic Chemical Manufacturers Association of the United States.
2d wk...	New York...	Insecticide and Disinfectant Manufacturers Association.
15...	Philadelphia...	Cotton Yarn Merchants Association.
28-30...	Cleveland...	American Pharmacological Society.

Other organizations have scheduled conventions for December, but the dates were not available at the time this list was prepared. These organizations included: American Grocers Specialty Manufacturers Association, American Malleable Castings Association, Association of Life Insurance Presidents, Autographic Register Manufacturers, Carded Woolen Manufacturers Association, Eastern Millinery Association, Metal Bed and Spring Bed Institute, Millinery Jobbers Association, Mirror Manufacturers Association, National Association of Cut Glass Manufacturers, National Broom Manufacturers Association, National Drug Trade Conference, New England Street Railway Club, Prepared Roofing Association, Red Cedar Shingle Congress, Rite-Grade Shingle Association, Sales Book Manufacturers Association, Standard Container Manufacturers, United States Potters Association.



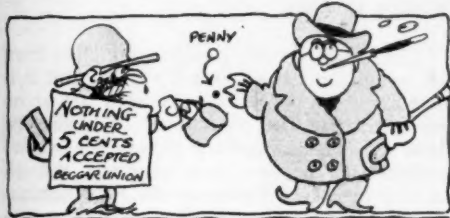
Balboa's Fleet, from a mural painting by Joe Knowles in the Monticello Hotel, Longview, Wash.

Chips From the Editor's Work Bench

A DECREASE of illiteracy, concurrent with the installation of a modern sewerage and water system, has been observed in San Salvador by a representative of the American Bible Society. Schools are increasing in number, he reports, and there is also this informative comment: "A note of vigor and freedom is heard from the reading public. Public opinion is slowly developing. More Bibles have been distributed by the Society this year than ever before."

That a civilization out of joint with the times may be mended with modern plumbing seems entirely plausible, but to regard the plumber as evangelist or tutor is not so easy. Still, plumbers are not men to be put off, and if this new fame is their due they should be able to collect it from historians—probably with time-and-a-half for overtime and double time for holidays.

BEGGARY, along with business, now has its standards of income related to operating expense. For the organized mendicants of Marseilles have publicly declared their un-



willingness to accept any offering under five cents. The decision was made by a unanimous vote of members of "The Union of Needy and Workless," and was based on the "alarming increase in the cost of living,"—all of which spikes the proverb that denied choice to beggars, and signifies bigger hand-outs for beggar hands out.

A GOOD deal is said and written about New York's hard way with her citizens, of how her business men are chained to the chariot of Mammon, and of the different kinds of high-priced balm contrived to divert tired minds and to ease tired bodies. But not much gets out about the city's own arrangements to provide play places for her crowded millions.

The truth is that physical and mental refreshment are not far to seek in New York. For recreation the city's parks provide facilities for baseball, basketball, bathing, bowling, camping, cricket, croquet, cross-country running, fishing, football, golf, hockey, ice skating, lacrosse, horse-shoe pitching, quoits, tennis, and the sailing of miniature yachts. No charge is made except for use of the golf courses, tennis courts, and for lockers.

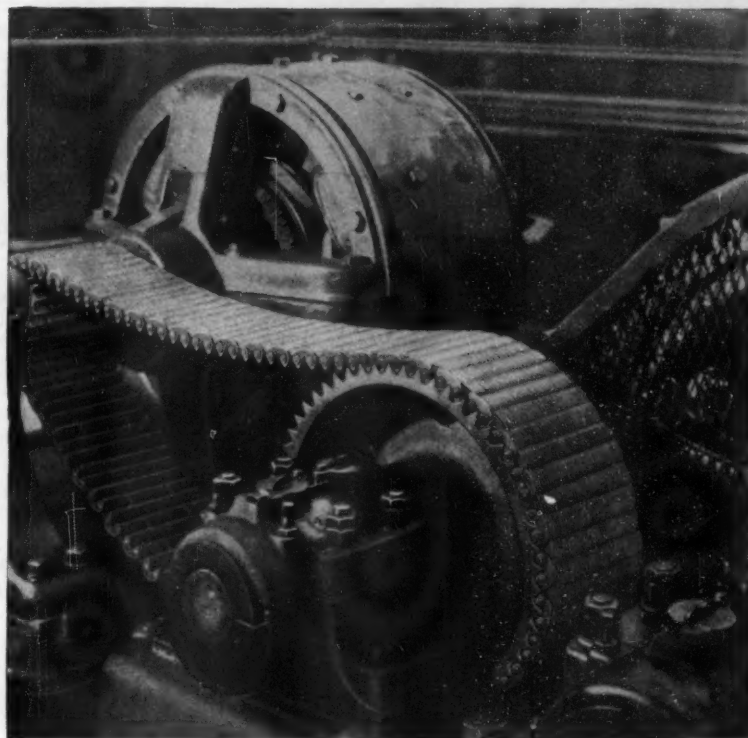
And in the Bronx, in Manhattan, in Brooklyn, and in Queens are wading pools for children—items of a city's pleasant heresy to confound the outlandish belief that all that is New York is Mammon.

THE DISTURBING consequences of misrepresentations in the practice of business have frequent place in the newspapers, and a man were dull indeed who could not see that, to live and to prosper, a business must keep faith with those it professes to serve. A new measure of the ethical standards of representative American business was shaped by Isaac Gimbel, veteran New York merchant, when speaking at an "accuracy meet-

MORSE

SILENT CHAIN

DRIVES



40 H.P. Morse Silent Chain Drive in steel mill. Driver 430 r.p.m. Driven 149 r.p.m. 40-inch centers

Instead of Belts Instead of Gears

Drive your machinery with Morse Rocker Joint Silent Chains. They provide a flexible but positive drive that outlasts belts or gears and is more efficient—98.6% sustained efficiency proved by careful tests. Over 4,000,000 H.P. installed in units from one-quarter to 5,000 H.P. Many installations fifteen to twenty years old still in service. Speeds from 6,000 R.P.M. to 250 R.P.M. or slower, almost any speed reduction. Especially effective on short centers. A power saver for power users. Write for "A Chain of Testimony" stating kind of machinery you operate or consult Morse engineer at nearest office—there is one near you.

Morse Chain Co., Ithaca, N. Y., U.S.A.

There is a Morse Engineer near you

Atlanta, Ga., 702 Candler Bldg., Earl F. Scott & Co.	Denver, Colo., 211 Ideal Bldg.	New York, N. Y., 80 Church Street
Baltimore, Md., 1402 Lexington Bldg.	Des Moines, Ia., 1601 Central Avenue	Omaha, Neb., 737 W. O. W. Bldg., D. H. Braymer
Birmingham, Ala., Moore Handley Hardware Co.	Louisville, Ky., 816 W. Main St., Ed. Morton Co.	Equipment Co.
Boston, Mass., 141 Milk Street	Minneapolis, Minn., 413 Third St., Strong-Scott	803 Peoples Bank Bldg.
Charlotte, N. C., 404 Commercial Bank Bldg.	Mig. Co.	Pittsburgh, Pa., Westinghouse Bldg.
Chicago, Ill., 112 W. Adams Street	New Orleans, La., 821 Baronne St., A. M. Lockett	San Francisco, Cal., Monadnock Bldg.
Cleveland, Ohio, 421 Engineers Bldg.	Co.	St. Louis, Mo., 2137 Railway Exchange Bldg.
	Toronto, 2, Ont., Can., 50 Front St. E., Strong-Scott Mig. Co.	
	Winnipeg, Man., Can., Dufferin Street, Strong-Scott Mig. Co.	





Your Town Can Have A New Hotel

Banquet and luncheon facilities for the social and business groups of your city, vital as they are, are of minor import compared to the major advantages provided by the other services of the modern hotel.

During the past few years this corporation financed approximately one hundred modern hotels in towns of from 2,500 up to cities of half a million and more population.

—and so we say, there can be a modern hotel in YOUR town! Ask us to prove it!

THE FINANCIALIST, a monthly journal of community hotel financing, tells more of the story. Your name on our complimentary civic list, "C-12", will bring it to your desk each month.

The HOCKENBURY SYSTEM, Inc.
Harrisburg, Pennsylvania

Small Drop Forgings

Forged and Trimmed
Only or Machined
Complete

Modern Heat Treating
Facilities For All
Grades of Steel

Also

Carriage Bolts	Elevator Bolts
Machine Bolts	Eagle Carriage Bolts
Lag Bolts	Plow Bolts
Cold Punched Nuts	Step Bolts
Hot Pressed Nuts	Small Rivets
Wrought Washers	Turnbuckles

**The
Columbus Bolt Works Co.**
Columbus, Ohio
QUALITY SERVICE

The Mayflower



Washington's
Palatial New Hotel

Home of Leaders in
Statecraft, Diplomacy,
Finance and Industry

Business and professional men will find here the acme of luxury and comfort, at rates no higher than at less finely appointed hotels.

Four Short Blocks
from
U. S. Chamber of Commerce
on
Connecticut Avenue
Seventeenth and De Sales Streets

ing" held for store department heads and their assistants:

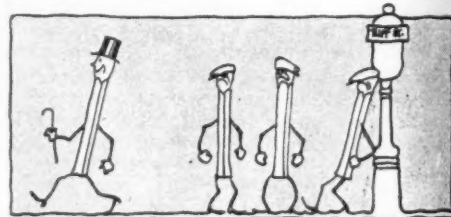
Anyone who wants to be forty years behind the times can keep right on practicing all the old tricks of misrepresentation, baiting and inaccuracy that modern establishments have cast aside.

If I were a buyer, I would try to educate myself up to the point where I would know that my representations were accurate when advertisements were being prepared for the newspapers. Then I would see to it that the members of the selling staff were properly instructed and did not misrepresent the merchandise at the counters—that they did not say some piece of goods is linen, when it is cotton, for instance. You cannot remedy a misstatement like that. It is too late. The wrong has been done. It is all over.

Mr. Gimbel's belief is the belief of other successful merchants—men who know that truth is as essential to the life of trade as competition; men who know that a good business grows because of its inherent goodness.

WITH Wanamaker's now stocking Ford all-metal planes in their New York store, customers taking out that merchandise probably will want to know whether it carries a "return" arrangement—but no store, of course, could offer a sales slip as protection against a side slip.

GIVE THE American-made match a hard name and it will seem a rogue. But it is not without its defenders, and they are at no loss to answer the charges of its defamers. These advocates contend that fire losses ascribed to "matches and smoking" put all matches in a bad light, and take no account of differences among matches or among per-



sons who use them. Champions of the American-made match see it as a sort of Old Dog Tray fallen in with evil companions—the so-called "strike-on-box" and "book" matches—and harshly judged for their misdeeds.

A whole catalog of virtues is offered in evidence for the defendant: "The ignition tip is protected by an inert or non-inflammable bulb or cap; the tip is treated to prevent popping, flying off, or exploding; the splint or stick is chemically treated to prevent afterglow when the flame is extinguished; the match will not ignite at a temperature of 324°; the fiber board shipping cases provide protection from fire; fires are not caused by rats gnawing American-made matches because rats do not gnaw them."

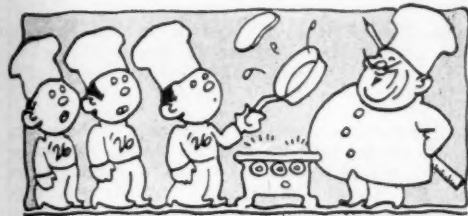
The moral of all this testimony points to a need for distinguishing, as well as extinguishing matches—and it gives reason enough for revising the usual question of "Got a match?" to "Got an American-made match?"

AUVERGNE, in central France, is a health resort region enriched with mineral springs that attract business men whose internal economies are in need of revision. According to tradition, all ills can be cured with the spring waters and pure air of the mountains of this region. Famous among the mineral waters are those of La Bourboule, Chatel-Guyon, Mont-Dore, Royat, and Saint-Nectaire. There are hot springs and cold springs,

with properties useful in treating diseases of the stomach, liver, kidneys, intestines, and the circulatory and respiratory systems.

With all this mineral wealth subject to sight draft, France is in good case to contrive a solution of her debt problem—at least, the exports of Vichy are evidence of liquid assets.

EUROPE'S exports of chefs to the United States no longer meet the domestic demand, it seems, so the American Caterers Association is going to set up a "chef college" in Chicago for the training of American cooks. Of that decision Jacob Miller, one of the caterers, says "We must draft our own chef



material from native ranks, train it ourselves and place it before our ranges at salaries ranging all the way from \$10,000 to \$30,000 annually"—and surely, that is range enough for any young cook just out of college.

PERHAPS the brawn that ruled the old-time baggage car will give way to a reign of brain, for the Forest Products Laboratory at Madison, Wis., reports twenty-five employes of railway and express companies studying scientific boxing—and it seems reasonable that the baggage they handle will emerge "OK" in place of "KO."

AN INCREASING use for American over-issue newspapers has been found in the Far East where native shopkeepers utilize them as a cheap and acceptable substitute for the higher-priced wrapping paper, says the Paper Division of the Department of Commerce.

Amounting to 18,500 tons in 1922, valued at \$445,088, exports of American overissue newspapers to the countries of the Far East increased to 29,581 tons, valued at \$792,709, in 1924. During the first six months of 1925, shipments of 26,078 tons, valued at \$651,608, were made.

The principal purchasers of old papers are Java and Hongkong. Considerable quantities are also shipped to the Philippine Islands, British India, and China.

Even though a secondary use is found for newspapers gone stale in the places of their nativity, there seems no continuing reason why they should not retain the vitality of their first character. It is possible, of course, that an old paper may be a new paper, a newspaper in fact, in the far places of the earth, but that sort of freshness is wholly a matter of chance. When distances are measured in airplane time, the world will shrink to neighborhood size, and the slogan "news while it is still news" will shine with a brighter lustre.

What more interesting possibility than the inclusion of Far Easterners in the suburban circulations of American daily newspapers?

WHATEVER may be said about the coal strike, the miners did their best to assure a general observance of Fire Prevention Week.

—R. C. W.



Maintains Schedules at Lowest Cost per Mile!

Firestone Truck and Bus Pneumatics are built extra size, with sidewalls of same tough, slow-wearing chip-proof compound as the tread, insuring long service and maximum cushion.

Gum-Dipping, the Firestone extra process, impregnates and insulates every fiber of every cord with rubber, building extra strength for long mileage—and minimizing internal friction and

heat, keeping these big tires cool in service.

Firestone engineers determine the right size of tire best suited to your needs—provide experienced service facilities that insure rigid tire inspection and proper service equipment.

Firestone service gives Truck and Bus operators thousands of extra tire miles, insuring not only more miles per dollar but additional profit per mile.

MOST MILES PER DOLLAR

Firestone

TRUCK AND BUS PNEUMATICS

AMERICANS SHOULD PRODUCE THEIR OWN RUBBER. *J.B.S. Firestone*

The Place for Your New Project—

HERE is an advantageous place to locate your new industry, new branch or wholesale organization. Mason City, Iowa, is right in the midst of the great Midwest Market—in the area of greatest per capita wealth in the world. Population 25,000—the fastest growing city in the Mississippi Valley. Production costs are low. Six railroads with eleven radiating lines give 24-hour freight service. Let us furnish you more detailed information about Mason City and the market it serves. A special survey will be made upon request.

CHAMBER OF COMMERCE
Mason City, Iowa

Free Mailing Lists

Will help you increase sales
Send for FREE catalog giving complete and precise list of thousands of classified names of your best prospective customers—National, State and Local—Individuals, Professions, Business Concerns.

99% Guaranteed 5¢ each
by refund of

ROSS-Gould Co. 331 N. 10th St. St. Louis

PATENTS

TRADE MARKS • DESIGNS
FOREIGN PATENTS

MUNN & Co.

PATENT ATTORNEYS

Associated since 1846 with the Scientific American
602 Woolworth Building, New York City
528 Scientific American Bldg., Washington, D.C.
417 Tower Building, Chicago, Ill.
370 Hobart Building, San Francisco, Cal.
225 Van Nuys Building, Los Angeles, Cal.
Books and Information on Patents and Trade Marks by Request.



THE NATIONAL CALENDAR

Pictorial Mail Order Design

If Nation's Business you enjoy. Then Uncle Sam you may employ. To bring the National you need. Right to your door with haste and speed. So when this little ad you've read. Just write us on your letter head. To send one on without delay; Then if well pleased remit the pay. The price is \$3. Size 11 1/2 x 18 1/2. To subscribers to Nation's Business we will ship on approval. Write on your business letter head.
A. J. McDADE, 63 Park Row, New York



SAVANNAH —GEORGIA—

—in the midst of one of the greatest progressive development programs in the South. Nationally known capitalists have invested heavily in Savannah property.

Port facilities, with more than seven miles of waterfront, are naturally favored by a stabilized climate. Constant extension and improvement of railroad terminal facilities are being made.

As a manufacturing site, Savannah is strategically located close to raw materials; the terminus of four trunk lines; on three national highways.

A chain of bridges, leading over the Savannah River, links the North and South for automobile travel at a saving of 210 miles via Washington, D. C., and Richmond, Va.

Railroads grant stopover privileges on all round-trip Florida tickets.

For illustrative booklets and road information, address

BOARD OF TRADE
11 E. BROUGHTON STREET

WRIGHT
IMPROVED
HIGH SPEED
HOISTS

The hoists that are the exclusive possessors of 21 plus points of superiority.

Let us tell you all about each one. Literature?

Wright Manufacturing Company
Lisbon Ohio

Reviews of Recent Business Books

The Science of Prices, by John A. Todd. Oxford University Press, American Branch, New York, 1925.

One of the most interesting things about this little "Handbook of Economics," which comes to us from Oxford, is its title. Mr. Todd explains it in his opening chapter when, after discussing various definitions of economics, he suggests this:

"Thus economics becomes the *science of measurable motives*, and as the means of measurement is price, it becomes by implication the *Science of Prices*, or the *Theory of Values*."

The author devotes a considerable and an interesting section of his book to setting up this assertion: "that the price of most commodities of which the supply is capable of increase, is fixed by the cost of production of the worst producer whose product is required to meet the total demand."

There are many and marked exceptions to this, as Mr. Todd at once proceeds to show.

How to Write Business Letters, by John A. Powell. University of Chicago Press, Chicago, 1925.

A convenient manual of form and style planned for dictator and dictatee.

Private Ownership or Socialism, by Scoville Hamlin. Dorrance and Company, Philadelphia, 1925.

The author thinks the root of all evil was the Sixteenth Amendment to our Federal Constitution. He closes his second chapter by saying, "Throughout the remaining chapters of this book the Sixteenth Amendment is considered as unconstitutional." By altering the Constitution and "defining the broader basis on which private ownership in the future is to rest," we shall defeat Socialism.

Masters of Advertising Copy, edited by J. George Frederick. Frank-Maurice, Inc., New York, 1925.

A baker's two dozen of papers by men most of whom have been successful as writers of advertisements. Entertainingly uneven as a result, for some of the twenty-five writers turn out articles as emotional as full-page advertisements in popular magazines, while others write as if for a scholarly text-book.

A book that will interest not only users and makers of advertising, but the other hundred million who just read 'em.

Elementary Statistical Methods, by William G. Sutcliffe. McGraw-Hill Book Company, Inc., New York, 1925.

A Manual of Problems and Tables in Statistics, by Frederick C. Mills and Donald H. Davenport. Henry Holt and Company, New York, 1925.

The title defines the first book listed above. Prepared by a professor of economics at Simmons College for the use of classes, it seeks, also, to interest the business man.

"A handbook for students of statistics." Much valuable material in comparatively small space.

Wages and the Family, by Paul H. Douglas. University of Chicago Press, Chicago, 1925.

A scholarly study of a pertinent and timely economic subject. Professor Douglas's main contention is thus summed up in his preface:

To pay all workers enough to maintain a family of five would indeed mean saddling industry with the maintenance of over forty-five million fictitious wives and children. It is this proposed payment of unneeded surpluses to single men and to those with fewer than three children which seems to make it impos-

sible for industry to pay the customarily demanded wage.

The solution of this dilemma in which our whole wage policy finds itself is not to be found in the abandonment of the living-wage principle, but in the recognition that a single man does not need as much as a family with children. The way out, therefore, lies in the fixation of a minimum wage sufficient to support single men with added allowances for dependent wives, children and other adults.

The author, who is an Assistant Professor of Industrial Relations at the University of Chicago, devotes several chapters to foreign efforts to solve this problem.

The Selection and Care of Sound Investments, by Arthur Hobart Herschel. H. W. Wilson Company, New York, 1925.

Principles of sound investment simply set forth for the man who has his saving plan under way. Mr. Herschel, who was a special agent in the Bureau of Corporations, devotes considerable space to the law limiting savings-bank investments in New York State, which he describes as "the most conservative in the United States." He takes up the various investments there permitted and then expands into a discussion of the selection of other investments. Chapter XI is devoted to the methods and lines of buying and selling stocks.

Market Analysis, by Percival White. McGraw-Hill Book Co., Inc., New York, 1925.

A new edition of a useful work.

Modern Salesmanship, by J. George Frederick. Henry Holt & Co., New York, 1925.

Published under the direction of the American Salesmen's Association. Mr. Frederick accepts as a definition of salesmanship "getting an article of merit from where it is made to where it is needed," and defines the salesman as "an ambassador of service." In the chapter on "reading" your man, we found this:

"A man whose office is clean as a pin and snappy and up-to-date can be talked to as a live wire 'head type' on the standard snappy business basis without any studied-out approach or indirect language."

The "head type," it seems, is the man who can think logically while the "heart type" is not "mental but is swayed more by impression, temperament, mood, etc."

From the next salesman who comes in we shall learn whether our office is "snappy and up-to-date" and ourselves a "head type" or a "heart type."

A good and useful book, we are sure, but there are times when Mr. Frederick's language seems a little too "snappy and up-to-date."

The French Debt Problem, by Harold G. Moulton and Cleona Lewis, with the aid of the Council and Staff of the Institute of Economics. The Macmillan Company, New York, 1925.

The publication of this book by the Institute of Economics was more timely than this review, for the book appeared before the French Debt Commission arrived in this country. The French debt is still an unsettled question, and the book is an important contribution to a controversy still very much alive.

Principles of Corporation Finance, by Harold L. Reed. Houghton Mifflin Company, Boston, 1925.

Might have been called "A Corporation—From the Cradle to the Grave," for it starts out with raising capital and winds up with receiverships.

Where Local Advertisers Lead Others May Profitably Follow

That local display advertisers buy space in proportion to the direct results obtained, is a principle of business generally accepted by experienced and successful advertisers, both local and national.

In Chicago the "results obtained" are indicated by the figures supplied by the Advertising Record Co. for the first nine months of 1925. According to these authoritative figures, The Daily News in that period published 9,072,494 agate lines of local display advertising, as against 6,488,828 agate lines published by its nearest competitor in the six-day field—a morning newspaper.

THE CHICAGO DAILY NEWS
First in Chicago

FATIMA

what a whale of
a difference just
a few cents make

WHITING-ADAMS
TWINS
Identical in those Qualities which make Brushes Good

Whiting's Celebrated Brushes Adams Superior Brushes

Each parallels the goodness of the other. Alike in length and strength, in suppleness and permanence of bristles—alike in all save name—these fine brushes have led all others for upwards of one hundred years. Buy by either name—or both combined. You are certain of equal—and unequal—brush service and satisfaction.

WHITING-ADAMS
BOSTON
Brush Manufacturers for 117 years and the largest in the World

THE GLEN SPRINGS
WATKINS GLEN, N. Y.
ON SENECA LAKE
Wm. E. Leffingwell, President

A Health Resort and Hotel with complete facilities for the treatment of heart, circulatory, digestive and nervous disorders. Valuable mineral springs—highly radio-active. Baths under specialized medical direction.

Illustrated booklets on request.

and reorganization. Planning it for college classes, Professor Reed has undertaken, apparently with success, to cover much ground.

Labor Relations in Industry, by Dwight Lowell Hoopingarner. A. W. Shaw Company, Chicago and New York, 1925.

A very broad study of phases of modern life which are increasingly demanding attention. Most writers on modern business keep one eye on the textbook possibilities of a subject, so that we have an appendix of case problems.

North America, by J. Russell Smith. Harcourt, Brace and Company, New York, 1925.

A volume on economic geography which starts with the sentence, "Hell is hot," ought to command attention. Professor Smith's 800 pages deserve attention. He works from the northeast to the southwest, ignoring political lines. An early chapter is on the "Coast of Newfoundland and Labrador," and the closing ones are devoted to Central America and Mexico. Professor Smith scolds us for our waste of natural resources, but does not give up hope for us if we can think of population in terms of increasing intelligence and not of increasing numbers.

Marketing, by Edmund Brown, Jr. Harper & Brothers, New York.

"Any book should furnish its own reason for being" are the words with which the author begins his preface; and the differences displayed by this book from others on the same subject are "reasons for its being." In a general sense, the earlier chapters deal severely with wheat, cotton, textiles, live-stock and meat, and other basic materials, from their earliest appearance on the farm or other place of origin to their absorption by the final customers. Following this are descriptions of organized exchanges and future trading practices, wholesale distribution, retail distribution, and marketing policies. By means of this original method the relation and interdependence between the farmer, the manufacturer, the wholesaler and the retailer are disclosed clearly, and by means of this method a sort of "missing link" is supplied to the ordinary student of marketing which hitherto has been used only (or principally) by experienced economists.

The (Thrilling) Story of a Pantry Shelf.

"When the American housewife of today stands before her well-stocked pantry shelf, she gives little thought to the very different picture that met her grandmother's eyes fifty years ago.

"Fifty years ago sanitary sealed packages had never been seen . . . the cat in pacific slumber in the cracker box. A sugar barrel impartially hospitable to flies and dirt . . . kitchen cabinets unheard of . . . no furnaces, no refrigerators; electric light unknown."

That is the theme of a book appetizing, interesting, fascinating in its words and pictures of the foods that make the American meal today.

Gustavus Swift, at 16, bought a heifer and founded a 150 million dollar industry; Philip Armour joined in the rush of 49'ers and came back to Milwaukee to develop modern provisioning methods.

Gail Borden prepared milk so it could be used on sea voyages and created a product the people of the cities needed. In Los Angeles, in 1885, the growers of a thousand boxes of oranges met to widen their markets; today "Sunkist" California produces 27 million boxes a year.

Coffee and walnuts, salad dressing and Coca Cola—6 million nickels worth a day—breakfast foods and spaghetti, cheese and tapioca, each with its history and the personality behind it.

The book is published by Butterick and is intended to sell advertising. Being an editor, I assume the right to offer the criticism that it is so interesting the reader may forget to buy.

The publishers send it to national advertisers. Until they think far enough to place it on sale you will be justified in borrowing.—M. T.



Poor light puts production to sleep—Good lighting wakes it up

The well-lighted factory is the pace-maker in its field—and enjoys costs appreciably lower than do competitors. This has been proved by engineers and works managers in every branch of industry.

Yet four of every five plants are poorly lighted—have lighting that makes production costs excessive.

Good artificial lighting in your plant will give a 15% increase in production or its equivalent in lowered manufacturing costs.

To learn if your plant is properly lighted, get in touch with your local electric service company, electric league or club. Without any obligation to you, they will study your lighting needs and recommend improvements that will effect economies in your plant.

Remember: 200 watt lamps with proper reflecting equipment spaced ten feet apart give excellent lighting.

INDUSTRIAL LIGHTING COMMITTEE

NATIONAL ELECTRIC LIGHT ASSOCIATION

29 WEST 39TH STREET
NEW YORK



Coordination

The Art of Business Harmony

A business organization without a coordinating head is like a nation without a government. Coordination means order, balance, concentration of forces, profits and progress; the lack of it, chaos.

Business, to attain to large success, must have Coordination at the top. Individual effort and departmental efficiency come to little unless regulated and guided by the *informed intelligence* of coordinating leadership.

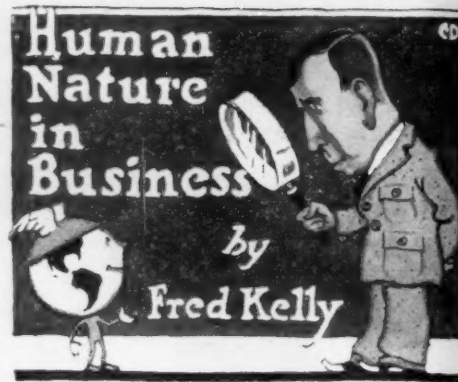
To attempt Coordination without the facts and figures which Sound Methods of Cost Accounting and the Business Budget provide, is as impractical as trying to sell without knowing the product.

Sound Methods of Cost Accounting assure complete and exact information of past and present; the Business Budget is a definite and workable plan for the future. With them able management can successfully practise *the Art of Business Harmony*, is equipped to coordinate, and keep coordinated, the various elements of a progressive enterprise.

ERNST & ERNST

AUDITS — SYSTEMS
TAX SERVICE

NEW YORK	CLEVELAND	DETROIT	MINNEAPOLIS	NEW ORLEANS
BUFFALO	CINCINNATI	GRAND RAPIDS	ST. PAUL	JACKSON
ROCHESTER	TOLEDO	KALAMAZOO	DAVENPORT	MIAMI
BOSTON	COLUMBUS	PITTSBURGH	ST. LOUIS	TAMPA
PROVIDENCE	YOUNGSTOWN	WHEELING	KANSAS CITY	DALLAS
PHILADELPHIA	AKRON	ERIE	OMAHA	HOUSTON
BALTIMORE	CANTON	CHICAGO	DENVER	FORT WORTH
WASHINGTON	DAYTON	MILWAUKEE	SAN FRANCISCO	SAN ANTONIO
RICHMOND	LOUISVILLE	INDIANAPOLIS	LOS ANGELES	WACO
	MEMPHIS		ATLANTA	



NEARLY every one of us has number habits. Some of these are individual and others are common to us all. For example, we think, insofar as we can, in round numbers, or in easily handled multiples of five. We like even numbers better than odd numbers. Census records always show more people aged, say, 22 than 23. Likewise there are more aged 25 than either 24 or 26—though the truth is, of course, that the younger group is always larger. If a man is within a year or two of 40 we simply mention his age as 40. This leaning toward multiples of five shows up in a surprising way in corporation pay-rolls. Who ever heard of a man being paid \$39 or \$49 a week, or \$29,000 a year? It may be said that most wage scales are in terms of some multiple of five or else of compromises between such multiples. A salary of \$37.50 is a compromise between \$35 and \$40. Or, to avoid fractions, perhaps the salary is \$38—an even number. If not a five or a fraction, it is almost sure to be an even number.

I'm convinced that this habit of thinking in round numbers must often prove costly to men speculating in stocks. Let us suppose that a man has a stock selling at \$76 a share. He says: "I'll sell it when it gets to \$90"; and he puts in his selling order at \$90, but may never get that price because demand for the stock is satisfied by those who were willing to sell for \$89.50. Chrysler motor stock, for example, recently climbed up almost—but not quite, at this writing, to \$200 a share. It stopped at \$199.50—and then declined several points. Many who were asking \$200 because it did not occur to them to ask a wee fraction less, met with disappointment.

I wish somebody would tell me just how far some of these number habits of ours lead us astray.

ERNEST HOPKINS, president of Dartmouth College, recently remarked that the greatest pest in any institution, whether a business office or college classroom, is the fellow who is not quite bad enough to fire but who just barely gets by.

Which reminds me that one of the most famous employers in the United States—owner of a string of successful newspapers—has for a long time made it a rule to discharge any employee who, at the end of five years, is not good enough to be promoted.

A FRIEND of mine had been advertising for high-grade salesmen. About one-fourth of the replies invariably were from men whose letters indicated that they were hopelessly uneducated. To eliminate these applicants in future, he inserted in his advertisements, this line:

"Only men of good education and exceptional intelligence will be considered."

Then a surprising thing happened. When

This Letter Sold
\$63,393 in 10 Days!



LET POSTAGE MAGAZINE tell you how to increase your sales and decrease your selling costs with Direct Mail, back up your salesmen and sell small towns without salesmen.

With one letter a merchant sold \$63,393.00 in 10 days; another sold \$22,896.20 in 30 days.

Send 25c today for latest issue of POSTAGE and copies of these two letters. Tells how to write result getting letters, folders, booklets, house magazines. \$2 a year for 12 numbers full of selling ideas.

Postage Magazine

Dept. M1—18 East 18th Street, New York

More Publicity, FREE!

EVERY envelope is a little billboard—don't let it go out without a message that will help your business grow. Our new booklet, "Envelopes as Advertising Mediums," tells how! It also describes Cupples side-seam envelopes, the ones that are handled easier and addressed faster. They cost less, too! The book is free—write today!!



This booklet is FREE!

Samuel Cupples Envelope Co.

620 S. Sixth St., St. Louis
7-9-11 Laight St., New York

replies came in from that advertisement, instead of merely one-fourth being from ignorant men, practically all were from that class. Many were of the "I have saw" type. The explanation is, I presume, that the intelligent man realizes how little he really does know and doubts if he actually is intelligent; but an ignorant man is so lacking in self-knowledge that he doesn't even know how poorly equipped he is.

I FIND myself more and more impressed with the willingness of average members of the flourishing human race to pay the highest market price for discomfort. Look in any fashionable restaurant where victims are compelled to pay a so-called *couvert* charge before they start to eat at all, and note how closely the tables are crowded together. If customers were seated comfortably would they feel like paying the same high prices?

I HAVE noticed, too, that no matter how many cheap restaurants spring up alongside of a so-called exclusive hotel, that hotel meets such competition not by lowering prices in its own main dining-room but by raising them. The manager knows that high prices will always attract a certain number who derive a pleasurable sense of importance and grandeur from paying them. I myself will never forget to my dying day the morning I paid \$1.25 for a little slice of honeydew melon!

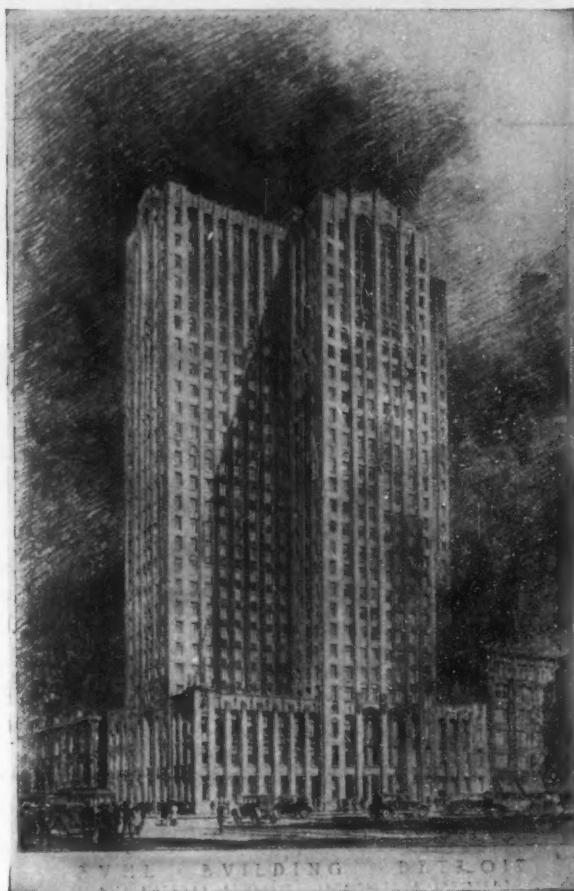
ONE OF THE funniest sights in New York City to me is a certain fashionable Fifth Avenue pipe-and-cigar store. The street entrance suggests the private office of a bank president. Inside is a hushed atmosphere and clerks in cutaway coats. My impression is that one must be psychoanalyzed and have a blood test before making a purchase. Yet, after all, it is just a pipe-and-cigar store!

ALL MY life I have wondered why butchers wear straw hats all winter. Finally, I got up courage to stop at a butcher shop and frankly ask a man in a straw hat the reason. He explained that in yanking down beef or other carcasses from above, there is always danger of an iron hook falling down and giving one an annoying wallop on the dome. Hence a stiff hat is a wise protection. And a last summer's straw hat is the lightest, most comfortable, as well as the cheapest type of stiff hat that a butcher can find.

I WONDER why candy stores do not contrive some means for preparing a box of candy more quickly for shipment. Every once in a while I'm moved by philanthropic impulse to mail a box of candy to a sick friend or even to some beautiful woman. But I usually give up the idea, excellent though it may be—because I know that it will require at least 20 minutes for the clerk to get the candy together, take down the address and find out the parcel-post charges.

DR. LOUIS SHRALLOW, dentist, of Connelville, Pa., writes to assure me that most teeth are pulled on Mondays. One reason seems to be that people become more vexed with an offending tooth over Sunday, when they have leisure, than they would if occupied with week-day tasks. Having worried about it all day Sunday, they lose no time having it yanked out on Monday.

MORE and more frequently I hear business friends using the expression, "cards on the table." There appears to be a definite tendency to flush every fact of interest to



*Buhl Building, Detroit, Michigan
Equipped with Dahlstrom Metal Doors
and Trim*

The recently completed Buhl Building is impressive evidence of that progressive, far-sighted, best-is-none-too-good business policy which has made Detroit the wonder city of today.

Dahlstrom Metal Doors and Trim—beautifully finished, easily maintained, absolutely fireproof, and practically everlasting—have been installed throughout this thoroughly modern structure.



METAL DOORS AND TRIM

COMPLETE ELEVATOR
INCLOSURES AND CABS

UNI-TRE FRAMES

ADJUSTABLE PARTITIONS

CONDUO-BASE

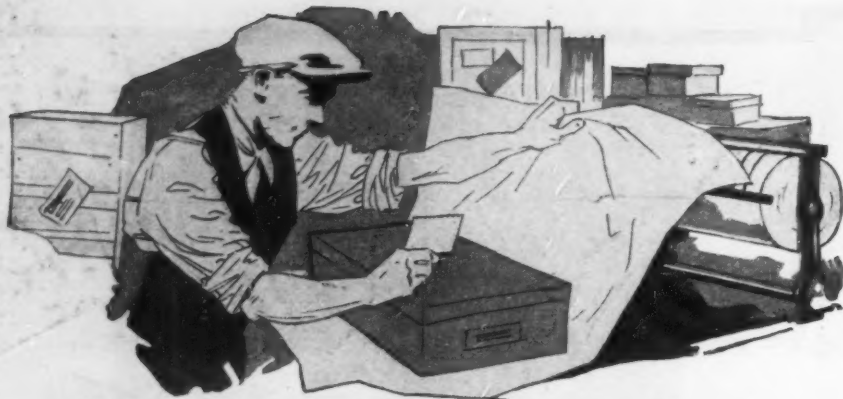
DAHLSTROM

DAHLSTROM METALLIC DOOR COMPANY

INCORPORATED 1904

JAMESTOWN, NEW YORK

NEW YORK • 25 Broadway • CHICAGO • 19 So. LaSalle Street • DETROIT • 1331 Dime Bank Bldg.



It's worth insuring

A PACKAGE that's worth sending is worth insuring. Wrap a North America Coupon with every package. It insures automatically, with no red tape or delay. The stub is your shipping record.

Mail the attached memorandum for information about North America Parcel Post Insurance, Coupon Books and rates.

Insurance Company of North America PHILADELPHIA



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either side out into the open. "Cards on the table" seems to have supplanted "Let the buyer beware." It is doubtful if business transactions, by and large, were ever so honestly conducted. Recently I heard a supposedly hard-boiled executive say:

"I never ask a man to sign a contract that I wouldn't be willing to sign myself if I were in his place."

A FOND parent sent his son to college last fall with the hope of having the boy converted into an advertising man. He asked one of the professors what the lad should study in the way of books about advertising. "Oh, the Bible, Shakespeare—anything except books on advertising," replied the professor. "If he has no broader knowledge than he gains from books about the thing he is to engage in, he might as well not go into it at all, because he will probably be too undeveloped, lacking in ideas."

STATEMENT of the Ownership, Management, Circulation, etc., required by the Act of Congress of August 24, 1912, of Nation's Business, published monthly at Washington, D. C., for October, 1925.

City of Washington, District of Columbia, ss. Before me a Notary Public, in and for the City and District aforesaid, personally appeared Merle Thorpe, who, having been duly sworn according to law, deposes and says that he is the Editor of the Nation's Business, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management, etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business manager are: Publisher, Chamber of Commerce of the United States, Washington, D. C.; Editor, Merle Thorpe, Washington, D. C.; Managing Editor, Warren Bishop, Washington, D. C.; Business Manager, J. B. Wyckoff, Washington, D. C.

2. That the owner is: Chamber of Commerce of the United States of America, said body being an incorporated organization under the laws of the District of Columbia, its activities being governed by a Board of Directors.

The officers and directors are as follows:
President, John W. O'Leary, Vice President, Chicago Trust Company, Chicago, Ill.; Vice Presidents, Lewis E. Pierson, Chairman of Board, Irving Bank-Columbia Trust Co., New York, N. Y.; William Butlerworth, President, Deere & Company, Moline, Ill.; Robert R. Ellis, President, The Heaslip-Drugg Company, Memphis, Tenn.; Paul Shoup, Vice President, Southern Pacific Railway Company, San Francisco, Calif.; Treasurer, John Joy Edson, Chairman of Board, Washington Loan and Trust Company, Washington, D. C.; Resident Vice President, Elliott H. Goodwin, U. S. Chamber of Commerce Building, Washington, D. C.; Secretary, D. A. Skinner, U. S. Chamber of Commerce Building, Washington, D. C.
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3. That the known bondholders, mortgages, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.
4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

Sworn to and subscribed before me this 3d day of October, 1925.
(Seal)

LACEY C. ZAPP,
Notary Public,
District of Columbia.

(My commission expires September 20, 1927.)

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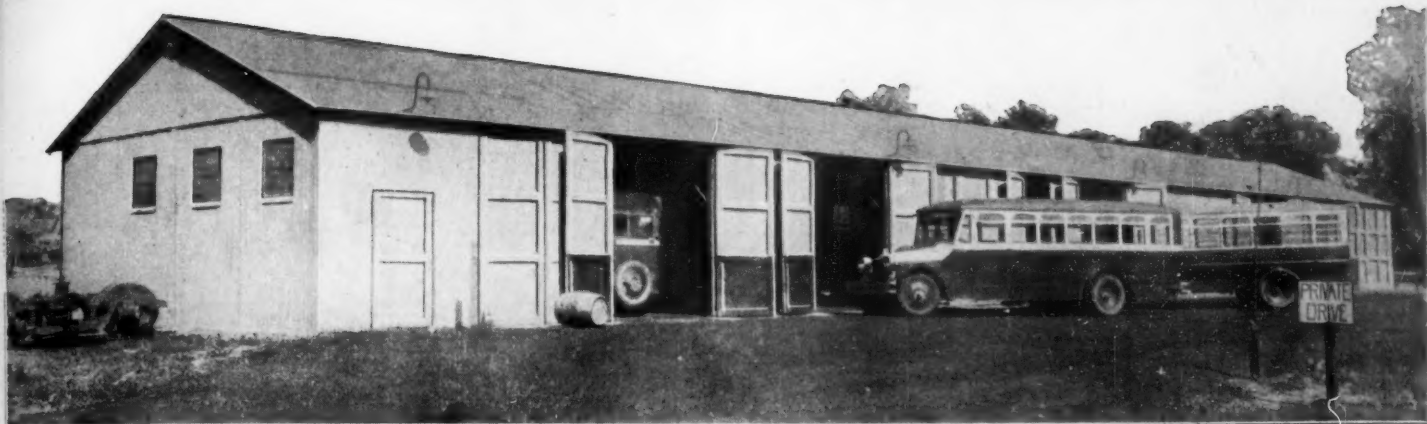
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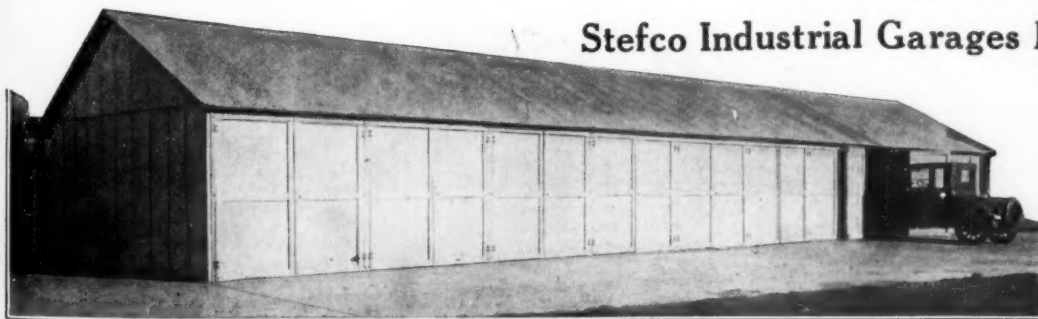
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